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## Washington Turns Away From Japan Trade Fight

### Clinton Planning to Put a New Emphasis On Markets in Asia and Latin America

By David E. Sanger

New York Times Service

WASHINGTON — Suffering battle fatigue after two years of fighting Japan over trade issues, the Clinton administration is putting a new emphasis on the emerging markets in the rest of Asia and Latin America — areas that it believes will greatly outstrip Japan as consumers of U.S. exports.

The change in emphasis will become evident over the next month, as President Bill Clinton flies off to two trade meetings, first with Asian leaders in Jakarta and then with Latin American leaders in Miami.

Already, Mr. Clinton's top economic aides are brandishing charts and graphs to prove their point that growth in U.S. exports to those regions will dwarf exports to Japan over the next 15 years. This should be the case even if every trade barrier the United States has complained about in Japan is dismantled.

"We're not abandoning our efforts with Japan, because we can't allow the world's second-largest economy to have sanctuary markets," said Mickey Kantor, the U.S. trade representative. "But when we looked at the numbers, we saw where the action is, and it is in our own hemisphere and in Asia outside of Japan."

Mr. Kantor's projections indicate that U.S. exports to Japan will grow by nearly 70 percent, to \$88 billion, by the year 2010. But exports to the rest of Asia are expected to rise 162 percent, to \$48 billion.

Latin American trade, including Mexi-

co, should rise by similar amounts, to \$232 billion, Mr. Kantor projected.

So the government's new focus will be on creating export incentives and pressing for reduced barriers in those faster-growing markets in hopes that the United States will prove far more successful more quickly.

For Mr. Clinton, Mr. Kantor's charts carry tremendous political resonance. The

U.S. companies are also looking past Japan to the rest of Asia. Page 9.

chances for any breakthrough improvement with Japan over the next year — or at least a breakthrough that would reflect itself in the trade-deficit figures — are now judged at nearly nil.

But Mr. Clinton's advisers are betting that the new export strategy will yield much faster results, enabling them to claim a major increase in exports and jobs in time for the 1996 presidential election.

The signs of frustration with Tokyo are everywhere, reflected in open questioning within the administration about whether 18 months of talks has led to anything more than changes at the margins of Japanese industry. "We weren't counting on dealing with four different Japanese governments, and that threw us," one White House official said.

If the administration seems to be losing its passion for continuing struggles with Tokyo, it is partly a reflection of its overly

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DIGGING IN — UN forces fortifying an observation post Friday in Sarajevo. The General Assembly urged the Security Council to lift the Bosnia arms embargo, but many nations abstained from the resolution. Page 2.

## Jobless Rate Hits 4-Year Low, but Wall Street Spoils the Party

By Lawrence Malkin

International Herald Tribune

NEW YORK — More good news on U.S. job growth across a broad front arrived from the government on Friday, virtually ensuring higher interest rates to brake economic growth within the speed limits set by the Federal Reserve.

Wall Street worried that wage inflation was back already, but labor economists disagreed.

The Labor Department reported that 194,000 jobs were created in October —

fewer than the quarter-million that had been forecast. But the report was strong nevertheless, because it said that 40,000 of the new jobs were high-paying manufacturing positions, and it revised upward previous month's job-creation figures.

The report continued to chip away at the unemployment rate, which fell 0.1 percentage point, to 5.8 percent, a four-year low. That news cheered President Bill Clinton and his administration the weekend before federal elections.

But Wall Street looked at another set of

numbers: an 8-cent rise in hourly earnings, to \$11.24, the largest monthly jump in a decade, and a 6-minute increase in the factory workweek, to 42.1 hours, both implying higher demand for labor in a supposedly tight market.

The result was another drop in bond prices, raising the yield on 30-year Treasury bonds to 8.16 percent, the highest since August 1991, on the near certainty that the Fed would raise short-term interest rates by half a percentage point when its Open Market Committee meets Nov. 15

— and perhaps the same amount again at its final meeting of the year, Dec. 20, if slower growth is still not in sight.

The stock market ended the day lower, with the Dow Jones industrial index falling 38.36 points, to 3807.52, in tandem with the bond market. The dollar weakened as the effects of this week's foreign currency intervention wore off. (Page 10)

Lyle Gramley, a former Fed governor now with the Mortgage Bankers Associa-

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## Mother's Confession Sickens a Town

Compiled by Our Staff From Dispatches

UNION, South Carolina — In a turn of events that some people in this rural town expected but few wanted to believe, a 23-year-old woman who had spun a tale of the kidnapping of her two children was charged Friday with murder.

Susan Smith, who had appealed over and over to God and to the people of her state to help return her children to her, was jeered by spectators and covered her face as she headed to court.

"Hold your head up! You're a baby murderer!" a woman in the crowd shouted.

Mrs. Smith opted not to attend a brief hearing Friday. Her lawyer waived her right to a bond hearing, and Judge Larry Patterson said she would remain in custody without bond.

Townpeople who had searched and prayed for the children over nine days reacted with anger and bitterness when Mrs. Smith's arrest was announced Thursday night. Outside the county courthouse, dozens of people gasped and sobbed at the announcement.

"If you could see the way she acted that night, that's the main thing that gets me," said Kirk McCloud Jr., who was at home on Oct. 23 when Mrs. Smith pounded on his door, crying that a gunman had driven off with her car, her children in the back seat.

"I just think, for a solid week I was defending her," he said. "It gets me sick to my stomach."

Mrs. Smith confessed to killing Michael, 3, and Alexander, 14 months, according to an arrest warrant. The search by authorities and hundreds of volunteers ended where the mother's story had begun — at a lake near the town. Mrs.



Police leading Susan Smith, right, from the jail Friday for her hearing.

Smith's car was found by divers in the lake, with two small bodies inside. Sheriff Howard Wells confirmed Friday that the bodies were that of the two boys and that they had drowned.

The discovery of the bodies and the arrest of Mrs. Smith came a few hours after she had made the most recent in a string of tearful appeals in front of televi-

sion cameras to have her children returned to her.

"I have prayed to the Lord every day," Mrs. Smith said Thursday. "It's just so sad that someone could take such beautiful children. I have put all my trust and faith in the Lord that He will bring them

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## Tiny 'Dinosaur on the Half-Shell' Is a Scientist's Feast

By John Noble Wilford

New York Times Service

NEW YORK — In a discovery that should begin to round out knowledge of the full life cycle of dinosaurs, paleontologists exploring the Gobi Desert of Mongolia have found the first fossilized embryo of a meat-eating dinosaur. Only six or seven other dinosaur embryos are known

to science, and none is as exquisitely preserved as this one.

Curled up and resting in part of its oblong egg, the specimen looks very much like a tiny dinosaur on the half-shell. With tail and all, the fully extended embryo would probably measure 8 inches (20 centimeters) long. But it is still in the fetal position, the head tucked near the knees. A hand is over the face.

Except for the missing pieces of the tail and the top of the skull, everything about the skeleton seems complete, with individual vertebrae, pelvic bones and limbs all well-formed and clearly identifiable.

In his laboratory this past week, Dr. Mark A. Norell, associate curator of vertebrate paleontology at the American Museum of Natural History in New York, who made the discovery, tenderly cupped the 75 million-year-old specimen in his hand. "I knew this was an embryo as soon as I

saw it lying on the ground," Mr. Norell said. "I knew from the ankle bones it was a theropod," the broad group of dinosaurs that includes such agile carnivores as Tyrannosaurus rex, Velociraptors and the smaller, birdlike Oviraptors.

The cranial features, Mr. Norell said, identified it as a member of the oviraptorid family, or dinosaurs that grew to be more than 6 feet (almost 2 meters) long with a short head, an elongated neck, toothless jaws and a hornlike bump on the end of its snout.

They probably looked something like an ostrich with a tail, running about on two legs and attacking prey with strong claws on their forelimbs.

Details of these findings were reported Friday in the journal Science by Mr. Norell and a team of American and Mongolian scientists. The discovery was made in the western Gobi in the summer of 1993 on an

expedition from the American museum and the Mongolian Academy of Sciences.

The embryo was found at Ukhua Tol, a basin in the western Gobi that has proved to be one of the richest lodes of vertebrate fossils from the end of the age of dinosaurs.

Besides giving scientists a rare view of early dinosaur life, the discovery immediately confronted them with a mystery of mistaken identity.

In 1923, an American Museum of Natural History expedition led by Roy Chapman Andrews discovered the first known cluster of dinosaur eggs at a spectacular site in the Gobi called Flaming Cliffs. The eggs were assumed to belong to a species of plant-eating dinosaur, known as Protoceratops, because it was the most common dinosaur fossil the explorers had found in

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## Free Market Shaken Anew In Russia by Resignation

### Minister of Economics Leaves as Yeltsin Names A Soviet-Era Official

By Steven Erlanger

New York Times Service

MOSCOW — Confidence in Russia's economic policy took another blow Friday when its market-minded economics minister and deputy prime minister, Alexander N. Shokhin, resigned.

He did so after President Boris N. Yeltsin named as finance minister a Soviet-era budget specialist who spent several months in prison before bribery charges were dropped.

Assuming Mr. Shokhin's resignation is accepted, the changes will undermine confidence among international lenders and Western nations that the Russian government will be able to fulfill its promises of tough fiscal discipline and financial stability. At stake are \$6 billion to \$12 billion of Western and International Monetary Fund lending for 1995.

"The economy is becoming a hostage to politics," said a disappointed Mr. Shokhin, a 43-year-old economic reformer of centrist political views. With elections to Parliament scheduled in a year and presidential elections set for June 1996, "those at the top are ready for a union with opposition forces," he said.

Mr. Shokhin may have been speaking a bit disingenuously, since the Russian economy has been a hostage to politics since the second quarter of 1992. But for some months now, Mr. Yeltsin and his prime minister, Viktor S. Chernomyrdin, have been seeking ways to co-opt or split the opposition majority in Parliament by offering ministerial or subministerial posts to "professionals" in those parties.

The effort has taken on more urgency after the government narrowly survived a parliamentary no-confidence vote last week, even after the naming of a Communist agriculture minister.

It is unclear how thoroughly Mr. Yeltsin is coordinating these new appointments with Mr. Chernomyrdin, who keeps insisting that no matter how broad a coalition the government becomes, its policy will be unified. In addition, Mr. Chernomyrdin has outlined a tight budget that calls for a deficit of less than 8 percent of gross domestic product.

But Mr. Yeltsin is operating with little regard for the responsibilities or sensitivities of people as senior as Mr. Shokhin, who is supposed to oversee the work of the Finance Ministry. He was not consulted over the appointment Friday of Vladimir G. Panskov, 50, as finance minister. Mr. Shokhin said, despite being promised that he would have a say.

In the Russian system, the Finance Ministry is the final gate before money is disbursed from the budget. A strong fit

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## Democrats Go for Broke In Raising Pension Fears

By Eric Pianin

Washington Post Service

WASHINGTON — Republicans are calling it "The Big Lie," but the Democrats' 11-hour bid to portray the Republican Party as the enemy of Social Security retirement benefits has Republican leaders worried and has helped to tighten some House and Senate races.

Exploiting the vagueness of the Republicans' "Contract With America" pledge to balance the budget, President Bill Clinton and congressional Democrats have asserted that Republicans intend to slash spending for Social Security by nearly 20 percent.

In campaign speeches throughout the country this week, Mr. Clinton told senior citizens and baby boomers that their retirement benefits would be cut by an average of \$2,000 a year under the Republican plan.

"I can tell some of you find it hard to believe that anybody, even the most conservative Republican, would propose a plan that would cut Social Security benefits," Mr. Clinton told 400 senior citizens in Rhode Island on Wednesday. "It's hard to believe, but it's true."

The chairman of the Republican National Committee, Haley Barbour, called Mr. Clinton's characterization of the plan "an outright, bald-faced lie." The leader of the minority Republicans in the Senate, Bob Dole of Kansas, said that Mr. Clinton and the Democrats "will say almost anything to keep control of Congress, no matter how desperate, false or hypocritical their scare tactics are."

Since the early 1980s, Democrats repeat-

Dow Jones	Trib Index
Down	Up
38.36	0.18%
3807.52	115.92
<b>The Dollar</b>	
Fed. close	Previous close
DM 1.514	1.5154
Pound 1.616	1.623
Yen 97.45	97.65
FF 5.1915	5.19

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## Window on Violent World: Israeli 'Verifies the Kill'

By Barton Gellman

Washington Post Service

HEBRON, Israeli-Occupied West Bank — Jerky and dark, the videotape starts rolling too late to prove how the fight here began. Conflicting accounts on two key points — whether Nidal Tamimi had a knife, and whether he attacked or defended himself — go unanswered in the recording.

But at one critical moment, the tape is clear. An Israeli soldier steps toward Mr. Tamimi's prone figure. The young Palestinian lies motionless on the pavement, bleeding badly from a gunshot wound in the chest. It is not clear from the video whether he is dead or alive. The soldier stops 4 feet (about a meter) away, sights down his rifle and fires a single bullet into Mr. Tamimi's head.

Recorded by a Palestinian free-lance journalist and corroborated by the accounts of three witnesses at the scene, the tape is apparently the first to depict what human rights groups assert is a recurring Israeli practice of executing Palestinians who clash with the army. The practice, denied by the army, is described in public debate here as "verifying the kill."

The tape of the shooting of Mr. Tamimi is a window on a world of grinding, routine violence that persists alongside efforts by the political classes to find another path.

The people in the territories are not feeling any difference between before the peace talks and after," said Bassem Eid, a B'Tselem field coordinator who took testimony on the Tamimi shooting. "This is the famous question in the Arab territories: 'Where are the changes?'"

Hebron, where tiny pockets of religious Jews have wedged themselves into a Palestinian town of 100,000, is one of the flash points. No one has forgotten the massacre in February of 29 Muslims.

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## Kiosk

### UN Troops to Leave Somalia by March

UNITED NATIONS, New York (AFP) — Citing continuing security problems and a lack of progress

# Poland and Russia Struggle With Ties That Don't Bind

By John Pomfret

*Washington Post Service*

**WARSAW** — A brawl between Polish policemen and Russian tourists at a Warsaw train station has prompted Prime Minister Viktor S. Chernomyrdin of Russia to postpone for a third time a scheduled visit to Poland and led to fears among Polish officials that Moscow is seeking to derail Poland's entry into the North Atlantic Treaty Organization.

The fight at Warsaw's eastern station has rapidly taken on the trappings of a major diplomatic incident between the two countries, which have struggled to define a new relationship since the collapse of the Warsaw Pact in 1989.

The Polish foreign minister, Andrzej Olechowski, exchanged angry letters with his Russian counterpart, Andrei V. Kozyrev. Polish officials groused to the press and Russians did the same.

Each side flirted with the absurd. A senior Polish Foreign Ministry official said he believed it was "more than symbolic" that the train involved in the ruckus was bound for Brussels, where NATO is based, and that Russians had tried to stop it from leaving the station. The Russians said Mr. Chernomyrdin, whose visit was to begin Thursday, would come to Poland only after an official apology from "an important figure."

[The Polish government said that the prime ministers of Russia and Poland spoke for 30 minutes by telephone Thursday to try to resolve the dispute, Reuters reported Friday. The statement gave no other details, and officials declined to comment on Friday.]

The brawl in the Warsaw station began on a Sunday afternoon when Russian bandits, using handguns and mobile telephones, boarded train cars

bound for Brussels and robbed Russian passengers of thousands of dollars.

Frustrated at an apparent lack of police cooperation, the Russian victims staged a protest and tried, by pulling an emergency brake, to keep the train from leaving the station. Several dozen policemen moved in, wielding riot sticks and hurling tear gas, and arrested six of the Russians. One Russian was hurt.

After detaining the six Russians for 47 hours, the police informed the Russian Embassy of their whereabouts. The Russian ambassador, Yuri Kashlev, then demanded that Poland apologize for "breaking an international treaty" because the police did not call the embassy sooner. Poland responded that no apology could be considered until an inquiry was completed.

The furor over the Oct. 23 melee illustrates the volatile nature of per-

haps the main question hanging over Eastern Europe since the fall of the Berlin Wall: its relationship with Moscow.

Long accustomed to dominating the affairs of the smaller, weaker members of the former East Bloc, Moscow has looked on with some alarm as countries here have moved rapidly out of its orbit toward the West.

The issue is especially emotive in Poland because half the country was occupied by Russia from 1919 to 1918, and many of Poland's best and brightest soldiers were killed on Stalin's orders in the Katyn massacre of 24,000 Polish officers during World War II.

A key element in this transition has been the demand by Poland and other East European countries that they be allowed to join NATO, a move not welcomed by the Russians. Poles see the U.S.-led Partnership for Peace program as a stepping-stone to full NATO

membership. NATO ministers are scheduled to meet in December and discuss accelerated expansion of the alliance.

The senior Polish official said he believed Mr. Chernomyrdin's latest postponement was timed to send a message to the NATO ministers. The Russian ambassador denied this.

"There is some feeling of NATOmania in Eastern Europe," said Mr. Kashlev. "They think NATO is a panacea. But we think that in the post-Cold War period there shouldn't be so much emphasis on military-political organizations. That's why we are in principle against NATO's broadening."

Mr. Chernomyrdin's postponement is part of a series of botched visits, snubs and delays — signs that both Warsaw and Moscow are having difficulty finding a new language for their diplomacy.

## WORLD BRIEFS

### Pope, in Sicily, Criticizes Corruption

**CATANIA, Sicily (NYT)** — On his first trip outside the Vatican since poor health forced him to cancel a journey to the United States, Pope John Paul II began a weekend visit Friday night to Sicily, facing growing alarms over threats to the priesthood from the Mafia.

The Pope, 74, who broke his leg in a bathroom fall last April, descended unaided from his airplane as he arrived here, without the cane he has often used since his fall. But the visit was overshadowed from the start by the fraught and sometimes ambiguous relationship between the church and the Mafia.

The Pope responded with what seemed an appeal to thousands of Sicilians gathered in Catania's Piazza del Duomo to fight back against the mob's influence. Most Sicilians, he said, "wishes to leave behind them the corruption exercised by the few to the detriment of the many." He added: "The times insist on and do not leave room for sitting silently by or fearful inactivity. At the present historic moment, there can be no room for fearfulness or inertia."

### Nigerian Court Calls for Abiola Bail

**LAGOS (AP)** — A court ruled Friday that the opposition leader Moshood K.O. Abiola, the presumed winner of last year's abortive election, should be freed on bail while awaiting trial on treason charges. But with prosecutors vowing to appeal to the supreme court, and the lower court issuing restrictions on Chief Abiola's actions, it was unlikely he would be released soon.

A federal appeals court called for unconditional bail. The decision was the latest twist in the political crisis that erupted in June 1993, when the military government reneged on promises to return the nation to civilian rule after elections. Those elections showed voters overwhelmingly choosing Chief Abiola.

The court decision comes a day after Nigerian security officials blocked the movements of another opposition activist, Nobel laureate Wole Soyinka, who has been trying to leave the country to attend a writer's conference in France. Officials at Lagos' airport refused to honor a United Nations-issued passport when Soyinka attempted to fly out Thursday night.

### Japan Apologizes for '45 Massacre

**TOKYO (APF)** — Japan's senior government spokesman offered an apology Friday for the massacre of Chinese miners working in Japan toward the end of World War II. Kyodo news agency said.

"It was really a regrettable incident," Chief Cabinet Secretary Kozo Igashira was quoted as telling Geng Zhen, the head of a Chinese group for victims of the so-called Nanjing Incident. "I offer an apology from the bottom of my heart."

Mr. Igashira's words were the first expression of apology over the incident, in which 113 Chinese were killed, the news agency said. It occurred in June 1945, when the Chinese, who had been forced by the giant construction company Kajima Corp. to work at the Nanjing mine in Akita prefecture, northern Japan, rebelled against harsh working conditions.

### Angolan Rebels Threaten More War

**LUANDA, Angola (AP)** — UNITA rebels threatened Friday to return to all-out war if Angolan government troops did not halt an advance that has pushed to the edge of the rebels' best-protected stronghold.

"If the government does not call back its troops, immediately, the peace process stops right here," said Rui Oliveira, spokesman in Portugal for the National Union for the Total Independence of Angola, or UNITA.

Despite initiating a peace treaty this week, the government has pressed ahead with an attack that has penetrated to within 10 kilometers (6 miles) of Huambo, Angola's second-largest city and the rebels' power base.

### Ukraine Leftists Oppose Reforms

**KIEV (Reuters)** — Ukrainian Communists and their allies declared war on Prime Minister Leonid Kuchma's planned reforms Friday after big price increases and called for protests on the anniversary next week of the Bolshevik Revolution.

At a session of Parliament called to discuss the price rises, leftists marched into the chamber carrying Soviet flags and speakers attacked the market reforms, which are backed by the International Monetary Fund. The chairman of Parliament, Oleg Moroz, a Socialist, cut off debate after an hour pending a report from government ministers.

Last month, the legislators grudgingly approved Mr. Kuchma's reform plan, which calls for cuts in government expenditure and sharp reductions in inflation and the budget deficit.

### 15-Year Term Urged for German Spy

**DUSSELDORF (AP)** — A former Communist mole at NATO, recruited by East German agents, endangered Western Europe's security and should be imprisoned for 15 years, the prosecutor at the former spy's trial said Friday.

The admitted spy, Rainer Rupp, 49, worked as an economics official at NATO headquarters in Brussels from 1977 to 1989, and prosecutors say the whole time he delivered military secrets to East German intelligence. He is accused of treason.

In his closing arguments in the trial, a federal prosecutor, Eckhard Schulz, said Mr. Rupp must be convicted because he provided more NATO secrets to the East Germans than any other West German traitor.

### For the Record

**Carrying a German scientist and two cosmonauts, the Soyuz-TM-19 spaceship returned to Earth from the space station Mir on Friday, concluding a monthlong joint mission.** (AP)

**Doctors in Italy's public health service carried out a 24-hour strike on Friday to protest government cuts in health spending and the four-year delay in renewing their contracts.** (AP)

**The British frigate HMS Cornwall and the U.S. aircraft carrier George Washington, sent to the Gulf last month to counter an Iraqi troop buildup, passed Friday through the Suez Canal en route to the Mediterranean.** (AP)

## TRAVEL UPDATE

### Beijing to Improve Tourist Safety

**BEIJING (AP)** — China plans to improve the safety and security of its tourist sites to counter a sharp rise in crime and accidents that cost the lives of dozens of tourists in the past year.

Tourist attractions drew 21 million overseas visitors in the first half of this year. The flood of sightseers has led to rising crime, accidents and inadequate public facilities, including toilets infamous for their stench and filth.

For the first time in its 151 years, Tivoli amusement park in Copenhagen will be open in the darkness of a Nordic winter. From Nov. 18 to Dec. 31 (with the exception of Dec. 23-25) visitors can see a holiday fair and buy presents, paper decorations and Christmas trees. But its other attractions — roller coasters, a Ferris wheel and shooting galleries — will remain closed. (AP)

# Chirac, Pre-empting Rivals, Says He Will Run for President

By Alan Riding

*New York Times Service*

**PARIS** — Stealing a march on his likely rivals on the left and the right, the Gaullist party leader, Jacques Chirac, tried to breathe life into his flagging campaign for the French presidency on Friday by formally declaring that he will be a candidate in next spring's elections.

The announcement came as no surprise. Mr. Chirac, 61, a former prime minister who made unsuccessful bids for the presidency in 1981 and 1988, has long been preparing for the 1995 race to succeed President François Mitterrand. Until 18 months ago, he was the clear front-runner.

Yet, in recent weeks, the campaign has taken on a surrealistic air, with the three main contenders for Elysée Palace — Mr. Chirac, Prime Minister Édouard Balladur, 65, and Jacques Delors, 69, the Socialists' favorite — all behaving like candidates but insisting they had not made up their minds.

Mr. Balladur has said he will only announce his plans in the New Year, while Mr. Delors has said he cannot re-enter domestic politics until January, when he retires as president of the European Union's executive commission. Yet both men are now running ahead of Mr. Chirac's polls.

Mr. Chirac, who had also intended to delay declaring his candidacy until January, has therefore apparently decided to gamble that he can recover lost ground by casting aside what he described as "the tactical camouflage" and hypocrisy of the undeclared electoral campaign.

Hoping to seize the moral high ground, he

warned that "in such a pernicious climate, disarray turns quickly into bitterness and then into resentment."

Announcing his candidacy in an interview with a provincial newspaper, *La Voix du Nord*, Mr. Chirac made it clear that he understood his first battle will be against Mr. Balladur, who is a member of Mr. Chirac's Rally for the Republic party. In fact, already the sharpest exchanges have been between Mr. Chirac and Mr. Balladur.

In the interview, Mr. Chirac made no direct reference to the prime minister, but, in contrast to Mr. Balladur's claims that France is now emerging strongly from a recession, Mr. Chirac warned that "the return of growth will not resolve the problem of employment which threatens society with disintegration."

"Between the risks of a clean-break policy which would sow disorder and the comfort of lukewarm policies which would plunge our country into lethargic decline, common sense imposes the need for change," he said.

By publicly entering the presidential race, Mr. Chirac, who is mayor of Paris, has also implicitly signaled that, if Mr. Balladur subsequently makes his own bid, he will be assuming the responsibility of splitting the conservative vote and risking a Socialist victory.

So far, the only beneficiary from the internecine fighting on the right has been the opposition Socialist Party, which was humbled in parliamentary elections in March 1993 and, until recently, saw little hope of returning to office as early as next year. But the Socialists now think they may have a winner in Mr. Delors.



Jacques Chirac, an official presidential candidate, with reporters in Lille on Friday.

# Serbs, Hard-Pressed, Launch Missile Attack on Bosnian Town

By Roger Cohen

*New York Times Service*

**ZAGREB, Croatia —** Bosnian Serb forces, apparently retaliating against an offensive by Muslim-led government troops, have hit Bihać town in northwestern Bosnia with two SA-2 surface-to-air missiles, a United Nations spokesman said Friday.

The spokesman, Thant Myint-U, said the missiles landed close to a school, damaging 30 to 40 buildings and wounding seven people, including one child seriously. It is very unusual — and scarcely cost-effective — to use a surface-to-air missile with a 250-pound (113-kilogram) warhead such as the SA-2 for an attack on ground targets. Military officials with the UN Protection Force said the attack suggested some disarray among the Bosnian Serbs, who have suffered a series of setbacks in the past week.

After spending most of the war on the defensive against the better-armed Serbs, the Bosnian Army has taken more than 400 square kilometers (155 square miles) of territory from the Serbs recently, including the

town of Kupres in southwestern Bosnia and several smaller towns to the east of Bihać.

Up to now, despite much saber-rattling, the only military response of note from the Serbs has been the firing of the SA-2 missiles. Targeting Bihać town directly in this way is risky for the Serbs because Bihać has

been declared a "safe area" by the United Nations, and such attacks could eventually prompt a NATO air strike.

The Serbian leadership met in its self-styled capital, Pale, on Friday and decided to ask the Bosnian Serb Parliament to impose martial law next week and call for a general mobiliza-

tion to counter the recent Bosnian victories.

"We are going to declare a state of war in our assembly and call a general mobilization and fight to the final victory," said the Bosnian Serb leader, Radovan Karadžić.

Mr. Karadžić has made several similar statements over the

past week. But military analysts believe his army is under severe logistical pressure from a shortage of fuel caused by the decision of President Slobodan Milošević of Serbia to impose a blockade on his Serbian brothers and former allies.

President Milošević now says his overriding interest is peace,

and he sent the Yugoslav foreign minister, Vladislav Jovanović, to Zagreb on Friday for a meeting with the Croatian foreign minister, Mate Granic.

Mr. Jovanović was the first minister from Serbian-dominated Yugoslavia to come to Zagreb since Croatia seceded from Yugoslavia in 1991 and war broke out.

But the meeting was inauspicious. Mr. Granic said afterward that progress on all issues hinged on Serbia's recognition of Croatia's international borders.

Croatian Serbs currently occupy about one third of Croatian territory and have declared an independent state in Serbian Krajina.

Mr. Jovanović, however, insisted that a pragmatic approach should be followed under which economic, cultural, sporting and other relations would be developed between the two countries before thornier political questions were tackled.

"Both sides remained in opposing positions," a statement said, adding that the ministers hoped to meet again at an unspecified time.

# Weakly, UN Assembly Urges End of Embargo

By Barbara Crossette

*New York Times Service*

**UNITED NATIONS, New York —** The General Assembly has adopted a resolution urging the Security Council to lift an arms embargo on the government of Bosnia-Herzegovina.

The resolution, which was adopted Thursday night by a vote of 97 to 0, with 61 abstentions, also asks member states of the United Nations to help Bosnia exercise its "inherent right of individual and collective self-defense."

Because of misgivings that lifting the embargo could intensify the war, the resolution did not get as much support as its backers had hoped.

European nations argued against it, but abstained in the vote, as did Canada.

Madeleine K. Albright, the chief U.S. delegate, spoke strongly in defense of the Assembly's proposal. The United States

said that Europe preferred to see more diplomatic initiatives tried before the "last resort" of lifting the embargo was considered.

A resolution of the General Assembly does not have the force of a Security Council resolution, but it can serve as a test of world opinion. It had been the strategy of the United States that a strong vote in the Assembly would demonstrate there is momentum for its Security Council resolution, to be debated next week, to exempt Bosnia from the weapons ban imposed on all of the former Yugoslavia three years ago.

The U.S. resolution would not take effect for six months. The General Assembly did not set a date for action.

Madeleine K. Albright, the chief U.S. delegate, spoke strongly in defense of the Assembly's proposal. The United States

was one of the resolution's 39 sponsors, along with mostly Muslim nations and Colombia and Antigua and Barbuda.

Bosnia has done nothing that would warrant the imposition of international sanctions," Ms. Albright said.

She added that Washington was aware of the danger of provoking the Bosnian Serbs.

The



# Whites Flee Where South Africa's Blacks Once Feared to Tread

By Isabel Wilkerson  
New York Times Service

**JOHANNESBURG** — After the cage of apartheid began to open up and the borders of his existence were no longer the pocked roads of Soweto, Vusi Makhubela found a peach-colored house in a white promised land with rosebushes and a two-car garage.

It was there that he knelt with his family in a corner of his bedroom to thank the ancestors for the family's good fortune. He sprinkled tobacco on the carpet, as the ancestors must have their snuff, and marked the sacred spot with his deceased father's walking stick. Outside, he planted a tiny sapling, which he named Watch Us Grow.

The next day, a "For Sale" sign went up at the house next door. The people on the other side left a few months later. He never caught their names.

Soon more and more middle-class Sowetans replaced the departing whites. Now, two years later, his suburban town of Naturana in the red rock hills three kilometers east of Soweto has begun to feel like Soweto without the poverty.

In the three years since the iron restrictions on black housing were repealed, a stream of black professionals has packed up and fled the fourth-class citizenship of

township life, with the clouds of dust from red dirt roads, break-ins, carjackings and government-issue matchbox houses.

Though housing in Soweto ranges from squatters' shacks to relatively spacious brick homes in the more prosperous sections, the basic dwelling remains the bleak four-room cinder-block house.

Few statistics are available on the number of blacks moving from Soweto or other townships into formerly all-white areas; it is commonly said that the government does not know exactly how many people live in the townships, much less how many are leaving.

Though millions of people are still crammed into these South African ghettos — it is estimated that as many as 4 million people live in the 105 square kilometers (about 40 square miles) of Soweto alone — even a tiny percentage of middle-class migrants is significant.

As blacks venture into new territory in search of the South African dream of a many-bedroomed house with a swimming pool, gardener and armed security response, they are leaving behind extended families and testing the possibility of integration in a country where racism was the national policy until this year.

In some places, like the modest suburbs

closest to Soweto, the arrival of blacks has set off a white flight to so-called gated communities farther out.

"They seem to be disappearing," Mr. Makhubela said of the white neighbors he briefly had. "I don't know where they are going. But there are more of us than of them. Wherever they disappear, we will be there, too."

In the wealthier suburbs, the few black pioneers often live in cold isolation, some turning to each other for comfort and an extra cup of cornmeal, some trying to carry out their cultural rituals without interruption and returning to the townships every weekend out of homesickness for friends and a familiar cacophony.

Dr. Benjamin Mgulwa, a family practitioner who like all urban blacks had no choice but to live in a township, moved his family from Soweto to a white suburb of broad lawns and big houses four years ago.

At the time, apartheid prohibited blacks from buying property in white areas. So he persuaded a white sponsor to sign for him so his family could live in their chic white house with a swimming pool in front.

Knowing that his family was defying the law to be there, Dr. Mgulwa tried to keep a low profile. But their dog, nervous in new surroundings, barked throughout the first

night. The next morning, a sign was posted on their gate from the next-door neighbors who had yet to greet them.

"Please make sure your dogs do not disturb us."

The next day, Dr. Mgulwa went to a veterinarian to get his dog some sedatives.

"I didn't want to irritate anybody," Dr. Mgulwa said. "It was not legal to stay in a white area, and I thought they would put us out. You don't want to cause trouble." A few months later, the neighbors moved.

Others say they, too, feel as if they are walking on pins and are constantly being monitored.

"With some white people, your child mustn't cry, your dog mustn't bark," said Onica Mahlela, a Soweto school administrator who moved from Soweto to a white suburb with her two children.

Many black suburbanites tell of the times their neighbors tried to hire them as gardeners or maids. Gladness Ncobo, a real estate agent, was out in her yard planting perennials with her grown son when a neighbor came and asked if her son was available on Saturdays.

"I live here," Mrs. Ncobo said, thinking that would show the neighbor that neither she nor her son was a servant.

Then the neighbor turned to her and asked if she was available on Saturdays. she said.

"I happen to own the place," Mrs. Ncobo said she told the neighbor. "If you ask if I come on Saturdays, I don't know what you mean."

One of the biggest sources of friction is an old tradition of animal killing, considered sacred by some African families but frightening to their white neighbors.

On the day he and his family moved into their new white house, Dr. Mgulwa bought a sheep and slashed its throat in the driveway near the garage where his two Mercedes-Benzes were parked. As he did so, he called out to his dead father and grandparents and the ancestors of his wife, Pamela, telling them that the family had moved, to welcome them to the new home and to ask their blessings.

"It's a tradition," Dr. Mgulwa said. "I have to do it. I could not move without telling the ancestors."

In some cases, particularly when loud or larger animals are slaughtered, the neighbors call the police and the Society for the Prevention of Cruelty to Animals to stop either the slaughter or the noise.

# Israelis Lay Bomb Plot<sup>5</sup> To Victim Of Blast

By Clyde Haberman  
New York Times Service

**JERUSALEM** — An Islamic militant leader who was killed by a car bomb in the Gaza Strip this week was himself planning a car-bomb attack inside Israel, the Israeli press said Friday.

In a detailed article, Ha'aretz identified the bomb victim, Hanan Abed, as leader of the military wing of the extremist Islamic Jihad group and an organizer of attacks in which Israelis were killed.

The article was not sourced, but it bore the unmistakable imprint of Israel's security services. It fueled already intense speculation that Mr. Abed was killed by Israeli agents, either to avenge past incidents or to warn other Palestinian radicals what might happen if they continue a new cycle of violence that has gripped Israel and its territories for the last month.

All major political factions, Gaza including Yasser Arafat's Palestine Liberation Organization, have accused the Israelis of assassinating Mr. Abed, an engineering instructor and editor of an Islamic Jihad newspaper. He was shown up on Wednesday as he went to his car in Khan Yunis.

Israeli officials have made no attempt to deny the accusations, declining to comment publicly while dropping strong hints that their security services are indeed capable of killing people they consider their enemies.

There has been no shortage of calls for strong action against Islamic radicals after a series of anti-Israel attacks in October by the militant Hamas group, capped by a bus bombing in Tel Aviv that killed 23.

"If Hanan Abed was involved in murder and terror operations, he does not deserve an apology," Ha'aretz said in an editorial. "Rather, he got the punishment coming to him, for they have sown the wind, and they shall reap the whirlwind."

The quotation was from Hosea 8:7.

On Friday, Prime Minister Yitzhak Rabin warned Mr. Arafat, leader of the fledgling Palestinian self-rule in Gaza and the West Bank town of Jenin, that he had to clamp down on Islamic groups seeking to undermine him.

If Mr. Arafat cannot show that he is in control and that his Police force will stop anti-Israel raids, then "it is doubtful" that he will be able to speak for the self-rule areas in dealings with Israel, he said.

The suggestion seemed to be that continued attacks on Israel — which Islamic Jihad threatens as vengeance for Mr. Abed's death — could torpedo negotiations to expand Palestinian autonomy throughout the Israeli-occupied West Bank. Mr. Rabin and Mr. Arafat are supposed to take up the future direction of those talks in a meeting on Monday at the northern end of the Gaza Strip.

Aides to the Palestinian leader said that he felt very much the man in the middle, caught between Israeli pressures to be tough and Islamic demands that he not act against his own people on Israel's behalf.

"Everybody is pressing us — the Israelis, the Americans, the Arabs," said Nabil Abu Irada, an Arafat spokesman. "Everybody's gaining the price of peace except the Palestinians."

The strains on Mr. Arafat were evident on Thursday when angry Gazans denounced him as a collaborator with Israel and pushed him out of a mosque when he tried to join a funeral service for Mr. Abed.

There were more protests Friday as thousands of Hamas and Islamic Jihad supporters marched in Gaza City, denouncing Israel and also warning the PLO that it had made "enough concessions to the Zionists."

But the anti-Arafat attacks lacked the fire of those the previous day, and Islamic Jihad officials sought to keep the situation from spinning out of control by apologizing formally to the PLO leaders for the rough way he was treated at the mosque. The apology was accepted, Mr. Irada said.

"We don't want to be dragged into a civil war," he said. "Violence begets violence."

## TRADE: A Weary Washington Is Turning Away From Japan Trade Fight

Continued from Page 1

optimistic stance last year. Just hours after Mr. Clinton signed a "framework accord" with former Prime Minister Kiichi Miyazawa in July 1993, laying out a detailed series of sector-by-sector negotiations to be completed between Tokyo and Washington, his aides were contending that a huge breakthrough was at hand.

David Gergen, at the time Mr. Clinton's counselor and top media adviser, told reporters in Tokyo that major agreements and a decline in the trade gap were only six months away. "This time it will be different," he said.

But after an initial era of good feeling that extended through last year's first summit meeting of Asian leaders, the relationship with Japan quickly dissolved into a

familiar exchange of threats and counter-threats.

The first agreements, on insurance and medical and telecommunications equipment, came only two months ago. Japan's trade surplus, at least in dollar terms, continues to rise.

On the key issue between the two countries — trade in autos and auto parts — there is still no agreement, and none is foreseeable for the next year. Even those officials who say that it is essential to keep the pressure on Japan concede that the primary value of the talks is symbolic: they discourage other countries from emulating Japan's practices and give credibility to Mr. Clinton's arguments for free trade.

But there is a long-term danger, some Asian analysts say, that the shift of U.S. attention could come back to haunt the

United States. Unless the largest U.S. companies invest more heavily in Japan, study after study suggests, they will fail to acquire Japanese technology and bring more of it to U.S. shores.

Some economists and trade analysts argue that the drive to focus on other markets may indirectly prove productive in dealing with Japan. Placing an emphasis on Japan's competitors, the theory goes, particularly in Asia, plays to some of Japan's national insecurities.

"It's not a bad strategy," said C. Fred Bergsten, the head of the Institute for International Economics and the chairman of a group of economists who have laid out the agenda for the Jakarta meeting. "It brings aboard the countries in Asia who agree with our goals and hate our unilateral tactics."

## JOBS: Economists Dispute Wall Street's Blues Over U.S. Economic Report

Continued from Page 1

tion, said Friday's figures pointed to growth in the current quarter at an annual rate of 3.5 percent to 4 percent.

"The economy is growing at a pace well above what it can sustain without inflation," he concluded from the figures. "The Fed will have to move."

Underlying signs of pressure on the economy have already been seen in rising incomes, raw material costs and delays in deliveries, but these have not yet showed up in retail and wholesale price levels, which will be reported next week.

Most market specialists said the Fed's next move had already been factored into bond and stock prices, and many agreed

with labor market specialists that Wall Street was overreacting to the wage data.

Mr. Gramley said hourly wages were an unreliable measure and pointed to the broader and "more tranquil" index of employment costs, which has risen at 3.2 percent in the last year, level with inflation, and shows no recent signs of acceleration.

This is the measure the Fed tracks, and "it shows no evidence of wage inflation," said Robert Falconer of the Wall Street bond house Aubrey Lanson & Co.

Audrey Freedman, a consulting labor economist on the board of Manpower Inc., the nation's largest supplier of temporary workers, pointed out that wage costs actu-

ally declined last year and now have merely stabilized.

She said Wall Street and foreign analysts often ignore the increase in worker mobility through short-term employment.

"We now have just-in-time workers the way we have just-in-time inventory," she said.

Anecdotal evidence hints at some shortages — skilled metalworkers or truck drivers in Midwestern factory areas. But overall, the labor market has changed beyond recognition to one of much less security and low-wage growth — one reason the Clinton administration is not receiving political credit for the recovery.



Alexander Shokhin explaining his resignation as economics minister during a press conference Friday in Moscow.

## RUSSIA: Minister Resigns

Continued from Page 1

Finance minister can enforce spending discipline by saying no to the many "vital" spending requests that come from ministries and even Mr. Yeltsin himself.

But a weak finance minister, or one who believes he should be subsidizing industry instead of worrying about the integrity of the budget and the currency, can upset the best-drafted inflation targets.

Mr. Panskov, a Western diplomat said, has no reputation as a reformer. He worked in the Soviet Finance Ministry, and in April 1992 he moved to the State Taxation Service as first deputy chairman. He was arrested in March 1993 on bribery charges and spent several months in prison before the charges were dropped.

Mr. Panskov, Mr. Shokhin said, has already expressed doubts about the government's tough 1995 draft budget in his current job as deputy head of Mr. Yeltsin's own financial-budgetary department.

"It is hard to conduct financial stabilization if you start with questions about what the new minister thinks about it," Mr. Shokhin said.

## CAR: Mother Charged

Continued from Page 1

home to us." Even as the news spread that Mrs. Smith was to be charged with murder, ministers in Union held a prayer vigil Thursday. Signs taped to columns on the courthouse said,

"We love you, Michael and Alex, Susan and David." David Smith is Mrs. Smith's estranged husband and the boys' father.

"No one here can believe it," said Gene Gregory, who runs a restaurant in Union. "People are sitting here crying. 'Dear Lord, how can this happen?'"

Mrs. Smith had said that an armed man had jumped into her car, forced her to drive several miles outside of Union and then made her get out. She said she had begged him to let her children. As the man drove away, Mrs. Smith said he had yelled, "I love y'all!"

Based on her description of the kidnapper, a vague sketch was produced and distributed widely by the authorities. Sheriff's deputies, FBI agents and other law officers subsequently tracked down one dead-end lead after another, many of them tips from people across the country.

CNN, citing an unidentified source, said Mrs. Smith became a strong suspect when investigators found a letter from a boy friend telling her he wanted to be with her but he "did not want any kids around." The boyfriend was not identified.

Solicitor Thomas Pope said Mrs. Smith's confession led investigators to her car Thursday afternoon. It had been driven off by a boat ramp.

The authorities said they had not completed their investigation but were not inclined to think that her husband or others would be implicated.

On Wednesday, the police searched Mrs. Smith's home and took several bags.

(NYT, AP)

## EGG:

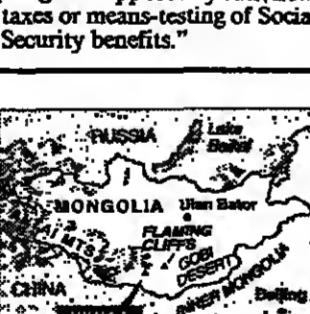
### Dinosaur Fossil

Continued from Page 1

the Gobi. They read even more into this prehistoric scene. Lying atop the nest was the strange-looking skeleton of a previously unknown dinosaur. It was identified as a carnivore that probably died in a sand-storm while sucking the Protoceratops eggs. So the fossil was named Oviraptor, which means "egg seizer" in Latin, and ever since its reputation has suffered accordingly.

Mr. Norell's discovery in the basin 200 miles (320 kilometers) from Flaming Cliffs has revealed that the dinosaur had been misnamed. Determining that these were the eggs of the supposed predator itself, not a Protoceratops, amounted to a vindication for Oviraptor. "Rather than eating the eggs, they were incubating them or protecting them," Mr. Norell said.

In the same nest, the scien-



## ARMY: Tape Captures Israeli Shooting a Palestinian

Continued from Page 1

praying at the Tomb of the Patriarchs by Baruch Goldstein, a Jewish settler who contended that no Arab should live in the biblical land of Israel.

Soldiers at checkpoints appear anxious and sulky, well aware of the hatred around them and of their own vulnerability. Barbed wire and concrete barriers close off main roads and alleys, channeling even foot traffic through fortified army bottlenecks. Both sides here say kicks and beatings are everyday events.

The soldiers are forbidden to speak with reporters. Several who tried, including one who said he saw Mr. Tamimi's shooting, were pulled away and reprimanded by superiors.

On the morning of his death, Nidal Tamimi left his father's fine stone house in the hills and walked to the checkpoint on Bab Zawiya Street on his way to the family clothing store.

## White House Prods Haiti to Speed Reform

By John M. Goshko  
and Tod Robberson  
*Washington Post Service*

**WASHINGTON** — Six weeks after U.S. troops occupied Haiti, American officials are expressing relief that President Jean-Bertrand Aristide has so far delivered on his promise to foster national reconciliation and thus helped avert violent clashes that many had feared.

That success has come at a price, however, as Father Aristide's practice of consulting widely before taking action has significantly slowed the government's work. The White House national security adviser, W. Anthony Lake, made a quick visit to Port-au-Prince on Wednesday and Thursday to discuss with Father Aristide moves to push the process of forming a government into higher gear.

"It's not a uniformly rosy picture," said a senior U.S. official in Washington. "Political developments — the problems of getting a government up and running so it can take control of the day-to-day functioning of the country — are moving slower than we'd like."

But the official added: "In terms of what was potentially the biggest and most immediately worrisome problem — averting the polarizations that could have caused serious violence and bloodshed — things have been more positive than we hoped."

Mr. Lake said in Port-au-Prince that the United States hoped to hand off its military



President Aristide, right, and Anthony Lake visiting Cité Soleil in Port-au-Prince, Haiti.

mission to a 6,000-member UN multinational force in the early months of 1995."

"There's a long way to go," he said, adding that one of the primary responsibilities of U.S. troops would be to provide a secure environment for upcoming parliamentary elections.

## Kim Jong Il Reaffirms 'Powerful Socialism'

Compiled by Our Staff From Dispatches

**TOKYO** — North Korea's official media on Friday published the political thoughts of the country's new leader, Kim Jong Il, in which he showed no signs of relaxing a commitment to hard-line communism.

The signed statement was his second after nearly four months of silence, and another sign that he is becoming more visibly active in leading the country.

Observers have said North Korea may be gradually establishing Mr. Kim as the official leader following the death of his father, President Kim Il Sung, on July 8.

"Our party is constantly carrying forward the brilliant tradition of benevolent politics established by the great leader, Comrade Kim Il Sung," said the statement, published Tuesday and carried by the Korean Central News Agency on Friday.

Despite the demise of socialism in other countries, the North Korean version will triumph," Mr. Kim said. "Ours is the most advantageous and powerful socialism."

The article was basically a repetition of policies followed by the elder Mr. Kim.

Nozomu Akiyuki of Meijiya

Ku University in Tokyo said the statement was proof that Mr. Kim was already head of the Communist state in all but official title.

The 52-year-old Mr. Kim has not yet been appointed to certain key posts, including state president and party general secretary.

Observers said the article indicated Mr. Kim did not plan a relaxation of control such as China's move to a market economy.

Also Friday, North Korea criticized a joint U.S.-South Korean military exercise, saying it violated the spirit of a recently signed agreement with the United States aimed at halting the North's nuclear program.

The North Korean official newspaper Rodong Sinmun said the exercise poses a danger "because it is a war game against the North."

U.S. and South Korean troops have begun the exercise, held annually since 1964 with the theme of rear-area defense. It involves far fewer troops than the annual Team Spirit maneuvers, which were canceled this year after Washington and Pyongyang reached the nuclear accord.

(Reuters, AP)

They were scheduled for mid-December but now are not likely before February or March.

U.S. officials in Haiti have expressed growing impatience with Father Aristide and the Haitian Parliament for not working hard enough to pass legislation to reform the election process and set a firm date for the vote. "It's very, very important that the elections be held as soon as possible, consistent with them being free and fair," Mr. Lake said.

Mr. Lake also said the United States had no intention of taking on responsibility for dis-

arming anti-Aristide remnants of the Haitian military and a large paramilitary "attaché" before the handover to the United Nations occurs.

### Troop Return Is Unclear

About half the 15,200 U.S. troops in Haiti are likely to return home by Dec. 15. The New York Times reported from Washington, quoting a briefing by Lieutenant General Henry Hugh Shelton, who led the U.S. landing in September, in Fort Bragg, North Carolina.

In Washington, however, a spokesman for the Pentagon said that no date had been set.

## AMERICAN TOPICS

### Tally Ho, but Spare the Fox

On a recent brilliant autumn day, 65 riders of the Essex Fox Hounds Hunt in Bedminster Township, New Jersey, and 40 hounds chased a fox down a drain in the middle of an open field. The yelping hounds surrounded the narrow hole.

"That's the kind of ending we like," said Dean Durding, master of the hunt. "We've had a good brisk ride, and the fox goes to ground to be hunted another day."

In England, farmers want foxes killed to keep them from eating chickens and geese, Mr. Durding told The New York Times, while in the United States, the object is to chase the animal "to ground" and call off the hunt.

"The death of a fox is the last thing we want," he said. "We may chase 150 fox a year and may kill one or perhaps two at worst, and one the hounds catch is probably sickly or lame."

Some other people don't look so favorably on causing anguish to animals. The author Cleveland Amory, head of Fund for Animals, a 200,000-member animal

welfare group said, "I can't understand why, with all their expressed love of sport, they never consider the torment of the fox being chased."

### Short Takes

The Justice Department collected a record \$3.1 billion from civil and criminal defendants during fiscal 1994 ending Sept. 30, it announced this week. The total was up from \$1.5 billion in 1993 and \$1.7 billion in 1992. Cash collections totaled \$1.83 billion from fines, restitution, special assessments, court costs, loan recoveries and False Claims Act recoveries. Noncash collections totaled \$1.28 billion from property transfers, payments made to courts or agencies other than the Justice Department and offsets in which the government withheld money it otherwise would have paid.

Chow led to ciao for the Montana state prisons chief, Mickey Gamble, The Associated Press reports. Mr. Gamble was removed this week after taking three women inmates — one of them a murderer and another a throat-slasher — to a restaurant for dinner. He said the night out was part of a program aimed at rewarding good behavior. Governor Marc Racicot said it "went beyond the bounds of propriety." Mr. Gamble con-

ceded, "I made a serious judgment error."

General Ronald Fogelman, just a week after assuming his post as air force chief of staff, is revamping the unpopular no-frills uniforms introduced by his predecessor, retired General Merrill McPeak, in 1991. In an effort to give the air force a more stylish, less cluttered uniform, General McPeak had stripped the "U.S." insignia from lapels and moved the rank insignia from the shoulders to the jacket cuff, navy style. Airmen complained that they were often mistaken for commercial airline pilots or members of foreign military services. Now, the "U.S." and rank insignia will go back where they were.

The Texas environmental agency has begun testing water wells on farms around the Pantex plant, which has been making conventional and nuclear weapons since World War II, to determine whether they are contaminated. Tests of two monitoring wells on the 16,000-acre (6,400-hectare) plant near Amarillo showed unsafe levels of nitrates in the Ogallala Aquifer, an underground water system stretching 1,000 miles from Texas to North Dakota. Because the water migrates slowly through sand at about 200 feet (60 meters) per year, environmental engineers say there is time to verify the contamination and check its spread.

International Herald Tribune.

## Peter Taylor, Novelist Who Won '87 Pulitzer, Dies

The Associated Press

CHARLOTTESVILLE, Virginia — Peter Taylor, 77, a Pulitzer-Prize winning novelist whose stories poignantly chronicled the slow disappearance of the Southern aristocracy, died of pneumonia here Wednesday.

He won the 1987 Pulitzer Prize for the novel "A Summons to Memphis," about a man called home by his sisters to stop their widowed father from remarrying. It was Mr. Taylor's first novel in nearly 40 years; he was best known for his shorter fiction, novellas and short stories.

"I write not because I want to, but because I have to," he said in an interview after winning a Pulitzer at age 70.

Mr. Taylor's latest novel, "In the Tennessee Country," was praised by critics

when it was published in September. It tells the melancholy story of a man looking back on his life.

Born in Trenton, Tennessee, he published his first book in 1948, "A Long Fourth and Other Stories."

His stories included elaborate descriptions of the well-heeled world of the Southern gentry in Nashville, Memphis and other cities. Many of his characters struggle to adjust to the end of the lush lifestyles of their childhoods.

His collection, "The Old Forest and Other Stories," was released in 1985 and won a PEN-Faulkner award. "Summons to Memphis" won the \$50,000 Ritz Paris Hemingway literary prize in 1987.

Mr. Taylor lived in Charlottesville,

where he was a professor emeritus of English at the University of Virginia. He also taught at Harvard University for many years.

Richard Krautheimer, 97, an American art historian known for his works on early Christian and Byzantine art, died Tuesday in Rome. The German-born scholar taught at New York University and moved to Rome when he retired after World War II. He was professor emeritus at the Herziana Library in Rome.

Sydney Dernley, 73, Britain's last surviving hangman, who took part in the execution of 25 people before the abolition of the death penalty in 1969, died of a heart attack Tuesday in Mansfield, England.

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# A Golden Age of Illumination

## Manuscript Show Is a Gripping Journey Into the Past

International Herald Tribune

**L**ONDON — Cultural distance is best measured by the books we read. Of all the journeys into the past, few are quite as gripping as the show "The Painted Page: Italian Renaissance Book Illumination 1450-1550," on view at the Royal Academy until Jan. 22.

Although the title dwells on the artistic aspect, the exhibition is about much more than illumination and miniature painting. It puts

funds needed for finishing the translation of Aristotle's "Problemata" were made available to Petrus de Albano.

Ugelheimer commissioned a German in Venice, Johannes Herbart of Seligenstadt, to undertake the printing, which was completed on Feb. 25, 1482. He then had the vellum pages of his copy beautifully illuminated.

In the opening double page, one side carries a full-size miniature. A Renaissance altar stands in an open landscape, with a cryptic motto in Roman capitals at the top: "the solution to enigmas considers the sign/ the ensign." On the other side, the printed text begins inside a painted frame simulating a *trompe l'oeil* a border of Renaissance jewels. The entire page in turn stands in a landscape admirably done in a style betraying the influence of Dürer and the Donau Schule.

At the top of the page, the translator is exquisitely portrayed inside the circular frame of the initial letter. At the bottom, in the margin, a white-bearded Muslim of Turco-Iranian appearance stands for Ibn Rushd or Avicenna, the great 12th-century Arab commentator of Aristotle known in the West. In another volume of the same set, Ibn Rushd reappears, reclining on a Turkish rug and balancing an armillary sphere on his knee. This is a reminder that just as Greek philosophy arrived in Europe via the Muslim world so did astronomy, its astrolabes and its armillary spheres.

There were lighter moments, but even for these, the Renaissance man would turn to Antiquity. Plautus, who lived in Rome in the late third to early second century B.C., wrote his "Comedies" drawing on Greek models. To the 15th-century reader, fun was not just words, it lay in a mix of visual sophistication, recherché literary allusions and cartoon-fashion hilarity that has no equivalent in our time.

The title page to the first play in a volume of the "Comedies" executed in the 1460s for Lodovico Gonzaga, marquis of Mantua, is a masterpiece of the genre. Self-deceiving humor begins in the margins — covered with intricate tracery in blue on gold, in which roundels are inserted.

In one, Gonzaga's French motto, "Amour vrai ne se change" ("true love does not change"), is written on a branch curving like a loop on which the dove of love is perched. In another, higher up, a green dragon flaps its batlike wings and frowns with concern as it watches the goings-on in the tableau painted over the text inside the margins. A noblewoman is seen sitting up in a stately bed and raising one hand to calm down her excited female attendants. One of these, leaning against the lower end of the bed, is about to pass out, and another runs out of the room, while a baby Hercules in its cot strangles a dragon with just one hand. All this takes place under the watchful eyes of a Greek philosopher and a turbaned sage, presumably Muslim. The multiple parodies of the terrifying

and of the heroic in the sophisticated garb of exquisite illumination exude a humor that gradually grows on the viewer and becomes irresistibly funny.

A more subtle nuance of humor curiously creeps into theological manuscripts. The ultimate in this line is a miniature found in a volume of Saint Jerome's "Epistles" copied around 1478-1480. The saint, dressed in a cardinal's red robe, is seated under a Renaissance porch, steadyng a book on his lap and haranguing solemn-looking dignitaries. Two of those wear black hooded robes that are rather awe-inspiring.

But the effect is spoiled by the presence of four little boys in the nude, two winged like angels, and the other two looking very human. One of the winged boys stands on the ledge of the pedestal supporting a pillar. He holds a pole with a cardinal's hat at the top hovering over Saint Jerome's head like some parasol. On the other side, the second winged fellow holds up a processional cross, looking placidly amused, while below him a little boy without wings plays a stringed instrument with a holler-than-thou look. On the other side, his mate peers at a glaring lion, rounding it off nicely. In its ultra-refined surround of *trompe l'oeil* Renaissance jewels, the image is a superlatively refined fore-runner of Surrealism.

**M**ODERN literature in the Tuscan vernacular was an excuse for a broader kind of pleasure. A volume of Petrarch's poems copied in 1457 provides the Renaissance version of comic-strip fun.

In the "Triumph of Love," a pink-robed Phyllis, bovine and squinting, rides on the back of Aristotle crawling on all fours, having dropped a book. Facing them, Deiliah seated in the grass cuts off the hair of the sprawling nude Samson. Behind, the chariot of love drawn by fat horses, is flanked by two standing couples, Caesar dallying with Cleopatra on one side, and Solomon and Sheba on the other. All of this is done with great painterly care emphasizing a spoofiness that is not quite in tune with Petrarch's poetry.

At intervals, the miniature painter would embark on a masterpiece for its own sake. When the poet Antonio Cornazzano had his poem "On the Way of Ruling and Reining" calligraphed in a presentation copy dedicated to Eleanor of Aragon (1450-1493), an artist, perhaps Cosimo Tura, painted a profile portrait of the duchess seen head and shoulders, under the title. The sad, unsmiling face with the beginnings of a double chin and an uncomely nose, stands out against a solid blue ground. She extends a gloved hand to clutch a wand held down from the top corner right by the divine hand. Here, no trace of humor remains. Government in the land of Machiavelli might be tortuous, but it was in deadly earnest.



Among the manuscripts at the Royal Academy is this page, done in 1483, for a treatise by Aristotle.

Pierpont Morgan Library

## Kudos From Asia for Zao Wou-ki

By Michael Gibson  
International Herald Tribune

**P**ARIS — A time of official consecration has come for the Chinese-born Zao Wou-ki. And especially from Asia, recognition is coming for the artist, who left China for France in 1948 and did not return until 1972.

He was one of five recipients of Japan's 1994 Praemium Imperiale for lifetime achievement in the arts, presented by Emperor Akihito and Empress Michiko and sponsored by Fujisankei Communications. And beginning next year, a retrospective of 70 works, ranging from 1955, when Zao was 14, to the present, will travel to Beijing, then to Hong Kong and Kaohsiung, Taiwan. His recent trip to Japan to receive the award brought proposals for the exhibition to go to Kyoto and Osaka.

Zao showed 24 late works in Beijing and in Hangzhou (where he attended the School of Fine Arts as a youth) in 1983, but the forthcoming exhibition is larger and the request made by the Chinese Ministry of Culture that he include early works signifies a new interest in the evolution of a Chinese artist abroad. The early works that will be in the show are those Zao took with him in 1948. The others were destroyed by fire in

1968, during the Cultural Revolution, which also led to his father's death.

Zao is an interesting paradigm for the evolution of Chinese art, having come to France with admiration for French art and having gradually elaborated a form of his own that appears to return to the essence of Chinese art after a long detour. It is unfortunate, in that respect, that his large India-ink washes could not be part of the exhibition, but Zao says they are too fragile to make such a long journey.

Zao feels Chinese art ceased being creative three centuries ago; after that it degenerated into the application of stock solutions. But that problem was compounded by the training given aspiring Chinese artists by third-rate Soviet painters who ran the art schools at one time.

Zao saw the consequences of this when in 1983 he returned to his first art school in Hangzhou for a one month session with young painters. The day he walked into the class, a model was sitting on a podium under a naked bull and the painters were all studiously mixing three stock shades of flesh color on their palette.

When Zao suggested they look at the model first, to determine what other colors might appear on her skin, through reflection or otherwise, they were surprised — but willing to give it a try.

"Today," Zao said, "a good number of Chinese artists are traveling to the United States or to France, and the things they discover there are leaving them completely confused. They have seen so little art from outside China, until now. It takes time to acquire a proper understanding of such matters."

Zao's work quickly became successful in Europe, where he is now represented by such galleries as Jan Krueger in Geneva and Thessa Herold in Paris. He began exhibiting in the United States in the '60s. "When I was young," he recalled, "I did *des petits trucs* — little things. I only began painting large works in 1964, when my dealer, Sam Kootz, encouraged me to do so. Big paintings, he told me, were in demand there."

Zao's work is also in demand in Japan, and his friend I.M. Pei has had him do a number of large paintings for some of his buildings in Hong Kong.

Zao's work was first influenced by Paul Klee, but gradually turned to a form of lyrical abstraction, which is his mark today. He has applied Western aesthetic principles without renouncing his Oriental sensibility.

He is upset when people see landscapes in his work, but concedes that it is sometimes justified. His own concern has been to render something more palpable than landscape: wind, the void, or light.

### BOOKS

**ALBION'S STORY**  
By Kate Grenville. 375 pages.  
\$21.95. Harcourt Brace.

Reviewed by Carolyn See

**S**OME years ago Kate Grenville published "Lillian's Story," a true tale of a (somewhat) madwoman who roamed the streets of Sydney, slept in parks and in trees, and spouted crudities for a little money. Lillian had been abused in her youth by a late-Victorian father; seen from her point of view, he remained as incomprehensible as he was odious. Now Grenville has written the fictional biography of that monstrous father. Grenville is brave; she has knocked on Evil's door, but Evil hasn't been terribly cooperative.

This story is told in the first person by Albion Gridley Singer. He was born, he tells us, in Sydney in 1875, the younger brother in a not very happy family. His older sister, Kristabel, is all tomboy ways — and she wants to get out and play, climb trees, go to school. But she can't. Albion, on the other hand, timid and shy, prefers the fragrant, loving company of his mother, who cossets him and softens him with sweet buns.

In school, Albion is wretched.

ed. He's soft and sorrowful and possessed of a horrid self-consciousness that, in a later day, might recall Richard Nixon greeting the astronauts. He tries desperately to become a hero, a few well met, but he's a few beats off. He doesn't get a joke, he can't tell one; he's ill at ease in his own body. He wants to be home with his mom. He fails in love with a professor but can't consummate that relationship.

Albion hangs out with a low schoolyard scoundrel who fills him with the sexual horror stories of the day. Women can't get enough, they always want it. There may be teeth concealed in that mysterious cavity. That's certainly not what Albion longs for, but it's the only game in town. He learns his sexual ways from vulgar whores. His father dies, and Albion finds himself a man about town, successful but fiendishly unhappy.

What can he do but lay his unhappiness on others? He marries a nice girl, Norah, and systematically robs her of all self-respect. He belittles her every effort, he can't stand her, and he's gotten their marriage off to an inauspicious start by a hideous wedding night rape. It's an article of faith with him that women are wanton, unspeakable and "Jewd" (a word used

repeatedly in the novel) and that when they say "no" they mean "yes." Attracted and repelled, he patronizes whores, deflowers his housemaid and countless of his shop girls. He rapes his father and goes him several times better.

Then nature plays some mean tricks on him. His wife gives him a boy and a girl, but the boy is sickly, sorrowful and timid, totally incapable of turning into the Automatic-Man that Albion has so laboriously become. His girl, Lillian, on the other hand, totally repels him, since she's equipped with female anatomical paraphernalia and by the age of 1, using a few well-placed baby kicks, is capable of giving him an erection. This can't be his fault, of course; it must be that Lillian is growing up wanton and "Jewd."

Parts of this story sound eerily familiar, especially material about every "no" that comes from a woman's mouth mean-

**Herald Tribune**

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# INTERNATIONAL Herald Tribune

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## Two Faces of Indonesia

Indonesia's rulers see next week's Asia-Pacific economic summit meeting as a terrific opportunity to improve an international image stained by repression in East Timor and other serious human rights abuses.

How much more flattering to display a statesman-like President Suharto playing host to his counterparts from the United States, China, Japan and a dozen other countries and touting the opportunities of the world's fourth-most-populous nation and one of its most vibrant economies.

Both images of Indonesia are true. But its crude effort to show all human rights problems out of camera range only highlights the repressive character of the regime. The effort, called Operation Cleansing, began last spring under the guise of a drive against street crime. Since then it has been broadened to target "economically and politically motivated criminals" like academics, journalists, independent labor organizers and human rights activists, halting in its tracks the limited liberalization President Suharto proclaimed several years ago.

Three leading news magazines were shut down in June. Muchtar Pakpahan,

leader of Indonesia's largest independent labor union, is currently being tried on a potentially political charge.

George Andjoditno, a leading academic, was interrogated two weeks ago on criminal charges of "insulting a government body or authority" for remarks he made at an academic seminar in August.

President Bill Clinton has proclaimed human rights a theme of his foreign policy, and U.S. law mandates a link between basic worker rights and the special trade privileges Indonesia currently enjoys.

Yet the administration has sent mixed signals about whether it will raise human rights issues during Mr. Clinton's one-on-one meeting with Suharto or at working sessions of the Asia-Pacific meeting.

If Washington fails to do so, it will reinforce the impression created by the president's retreats on human rights in China and Commerce Secretary Ron Brown's aggressive promotion of business profits at the expense of other values. It also encourage other countries with serious human rights problems to do as Indonesia does and simply sweep its critics off the streets.

—THE NEW YORK TIMES.

## CIA: Disastrous Failings

The CIA's own investigation of the Ames case has been superseded by an outsider's more probing critique authorized by the Senate intelligence committee. The new results are stunning. They confirm and substantially add to the old.

Only now does it become clear what were the true dimensions of Aldrich Ames' treachery. His selling of American secrets allowed the Soviet KGB quickly to strangle operations that American intelligence was conducting at the heart of Soviet intelligence, and this at the height of the Cold War. A hundred or more American and allied operations were compromised. Ten or more Soviets working for the Americans were executed. It was a security breach of unprecedented and disastrous proportions, the report suggests, one wiping out the CIA's principal Cold War reason for being.

Again and more humiliatingly, the CIA stands revealed as the gang that couldn't count money straight. The lapses fall just short of letting the fellow who brings in the Domino pizzas smuggle our secret documents in his carrying case. "Members of the club"—the club of secret operators—were simply excused from security scrutiny despite gross known personal and professional failings.

The Senate report, approved by a unanimous committee, is deeply critical

—THE WASHINGTON POST.

Something else needs to be considered, too. It is not enough to build a system that will protect against a highly structured adversary like the old Soviet Union. With the end of the Cold War, there are wholly different demands. Fluid circumstances create new intelligence requirements and new counterintelligence requirements alike. These must be considered in a package as American intelligence, through its own devices and through the work of a congressionally authorized presidential commission, prepares for the day.

—THE WASHINGTON POST.

## Justice Is Served in Florida

A Florida jury recommended a death sentence on Thursday for Paul Hill, the Florida abortion opponent who killed both a doctor and his unarmed security escort at a Pensacola clinic last summer. Mr. Hill, who had earlier been convicted on federal charges in connection with the same event, represented himself in court and made no argument in his defense. The short trial led to an understandably fast verdict. The jurors took only 20 minutes Wednesday to find him guilty on two counts of first-degree murder.

Mr. Hill is not the first zealot whose opposition to abortion has led to violence, and, sadly, he may not be the last. But fast and forceful action on the part of prosecutors in his case should persuade others that their personal fervor for the cause will not excuse them from the consequences of their crimes.

Mr. Hill made no effort to hide his terrible intentions. He spent months speaking and picketing, trying to defend the proposition that doctors who performed abortions ought to be killed. On the day of the murders, he arrived at the clinic armed and eager to carry out his plan, and he did so in plain view of witnesses. He sees himself as a martyr determined that even if he is executed,

—THE WASHINGTON POST.

## Other Comment

### The Threat of Corruption

In Europe, political corruption stains one country after another, showing that even the most solid democracies have a dark side. The Italian stain is surely the most vast, but in Greece, Spain, France and Germany, scandals have multiplied. The same goes for Britain.

In no other country has corruption of such amplitude been revealed as in Italy, where at the end of 1993, 2,500 people were being investigated, including tens of ministers and former prime ministers, 200 members of Parliament and scores of business leaders. In no other country has corruption involved an entire society, destroyed

its traditional parties and compromised entire governments. In no other country has there been more of a lack of political watchfulness than in Italy.

Everywhere the problem of the state in pluralist societies founded on democracy and the market economy needs to be resolved. As the state breaks away from the economy, privatizing it more and more, the financial and economic world latches on ever tighter to the state, attempting to "privatize" it. If the role of the state is not redefined—if the political ethic is not reconstructed—then the incestuous relationship between public and private will endanger democracy.

—La Repubblica (Rome).

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## Time for Straight Thinking on Cuba

By Stephen S. Rosenfield

**WASHINGTON** — All along, the American problem in dealing with Cuba has been when to convert pressure into negotiation — when and for what to yield up the embargo: to play this card while Fidel Castro is still in power, in which case he might use the accord to extend communism in Cuba, or to wait until his departure could be made a part of the agreement.

Successive administrations have favored the latter approach. Earlier they did so under a banner of containing a real global Communist threat. Since the Cold War lapsed, they have done so in the name of promoting democracy.

Does not the passing of the strategic danger make it silly for Washington to talk with, say, China and North Korea — also Communists, and demonstrably more brutal than Cuba — but not with Havana? The Clinton administration finds the inconsistency supportable because democracy in Cuba is not only a desirable but a reasonably plausible goal.

A sort of inner message is being conveyed to countries that reject the embargo, as a recent UN vote demonstrated, that means every country in the world except Israel. You may be too left-leaning or too indifferent to principle to rescue Cuba, the message goes, but we are not. American isolation on this issue is shouldered stoically as a great power's lonely burden.

There is an arrogance here, an echo of the historical American

view — imperialism, it is called — that little Cuba is America's to shape in its image. But this does not trouble me so much. No one need apologize for wanting to see democracy prevail in Cuba and for not wanting to throw a lifeline to Fidel Castro or to the part of the Cuban revolution that equates with political repression.

Still, I am not among those who are ready to compel the mass of Cubans to pay any price to bring about a political transition, least of all a transition that may be already on its way.

"Pay any price": The embargo-tightening 1992 legislation with which Washington greeted the breaking of Havana's strategic link with Moscow cut off most residual American food and medical supplies. It adds palpable misery to the deprivation already ensured by the practice of socialism.

As a candidate, Bill Clinton whooped this shameful law along, and as a president he has tightened it further. Has the prominent family and child advocate, Hillary Rodham Clinton, had occasion to query him about the health effects of this display of toughness?

How is the embargo supposed to work to bring Cubans democracy? American strategists say the idea is to keep the pressure on, bring the people into the streets or invite a coup — the

IF NO ONE ANSWERS, IT'S ME.

suggestion is that the action will be surgical. Fidel Castro says the Americans intend to promote discontent, divide the population and cause conflict, even a bloodbath. Is he so wrong?

Officials stating the American position unfailingly underline their favor for a "peaceful" transition. But the policy has a strong possibility of producing not a negotiated "soft" landing but a violent "hard" one. How many deals do we think is a tolerable price for Cubans to pay for a U.S. strategy whose implications for human life, let alone political change, are poorly conveyed by the bland term "embargo"?

So is a soft landing possible? If it is, it requires negotiation. But negotiation runs up against the Cuban position that a discussion of internal change is out of bounds and the U.S. position that Cuban internal change is not only legitimate but an essential first step for which the United States will then reciprocate.

The Cuban position is proud, defiant, fake, unrealistic and unsustainable. Internal change is already proceeding. What mismanagement and the embargo have left of the economy has been dollarized and opened to foreign investment — the sort of changes that, when made in China, send the administration into rapture. Russia's new decision to halt oil deliveries, because Cuba can no longer produce the sugar to swap for them, ruthlessly softens the whole Cuban bargaining position. There has never been a better time for the United States to sit down and talk.

The American position — that Cuba must democratize first — is clear, high-minded, propagandistic and frivolous. The embargo, which is, of course, an act of war, must go. The Cuban must democratize first — is clear, high-minded, propagandistic and frivolous. The embargo, which is, of course, an act of war, must go. The Cuban must democratize first — is clear, high-minded, propagandistic and frivolous. The embargo, which is, of course, an act of war, must go.

Not content simply to refuse to reciprocate Cuban changes, the Clinton administration actually tightens the squeeze as Cuba makes them, curtailing remittances and charter flights. This is a dishonest and unworthy position. A president serious about foreign policy would think it through straight.

The Washington Post.

## Politics, Like It or Not, Requires Human Involvement

By Flora Lewis

**A**BOARD THE DAPHNE, in the Mediterranean — Politicians in practically all industrial democracies are in trouble. People dislike and disdain them, as though they were a special, inferior breed with less than the minimum of virtues possessed by ordinary mortals. Yet, there is widespread satisfaction that the idea of democratic government is making such headway in the world. Less than a generation ago, eminent commentators were pointing out that only a relative minority of countries could claim anything approaching democracy. Daniel Patrick Moynihan, now a U.S. senator, wrote of it as a "luxury" that few could expect afford.

Obviously, democracy requires decisions to be made through the political process, not by force and terror. And the political process requires politicians — people who seek leadership positions by persuading fellow citizens to invest confidence in them and who accept responsibility for public affairs. If we hate politicians, who should be doing this?

Traveling with a group of Americans and Canadians who are curious about the world shows that their attitudes are little different from those of Europeans on the issue. They don't like the people they have put in charge, although it is not at all clear whether they don't like the fact of someone taking charge or that they want change taken more decisively.

It is a palpable reality that Americans are angry with President Bill Clinton and with Congress. But why?

Conventional political wisdom holds that the state of the economy is the dominant factor in elections. "It's the economy, stupid" was the theme of Bill Clinton's campaign in 1992, and the results seemed to verify the insight. Now the economy has greatly improved, and dissatisfaction has increased at

least as much. "It's not Clinton's doing, no credit to him," people say.

"He didn't keep his promises," a retired businessman complained. I asked him which promises he wanted kept. "None of them, they're terrible ideas. And he's no good on foreign policy."

Granted, Somalia failed badly. Haiti looked bad but it seems to be working out better than anyone expected. Bosnia is everybody's disaster. But in terms of U.S. global interests, these are marginal problems.

The 15- to 30-second spot, which cannot permit more than sloganizing and is highly conducive to invidious "negative" ads, is perniciously unique to America. It should be banned. No doubt it adds to Americans' revulsion for politicians.

But the trend is general, often accompanied by a sharp decline in voter participation, particularly among young voters. This is worse for the democratic system.

There needs to be some reconsideration of what is expected from politicians, just how much better they are supposed to behave than others in our permissive societies, how much we wish and encourage them to flatter us and lie to us.

If we want truth and courage from them, we must respond to it. There can't be politics untouched by human hands. It's the beauty of democracy that politicians are likely to do what their electorate wants, wise or foolish.

In our current mood, we should admire the bravery of those who are willing to expose themselves to such automatic opprobrium for the pleasure of taking responsibility.

## The Poles Are Moving

### Closer to the Center

By William Pfaff

**K**RAKOW, Poland — Stalin once said to the Poles, when demanding territorial concessions for Russia's security, "I am not responsible for geography." If the people and leaders of Poland were responsible for geography, they would certainly have moved themselves elsewhere long ago.

Indeed, they have moved. The Poland of today is some 150 miles (240 kilometers) west of the Poland of 1940, thanks (if that is the word) to the frontier changes and population transfers that followed World War II.

Geographically, the country today is at the center of the European continent, but politically it remains at the edge, bordering insecure Ukraine and Belarus as well as Lithuania. The Polish desire to put Poland at the center of political Europe was recently expressed by its foreign minister (and possible presidential candidate) Andrzej Olechowski, who said that he wants Poland "effectively" at the center of the European Union and intimately involved in drafting the terms of what the Union is to become.

The plan for Poland's and the other East European countries' entry into the Union is finally emerging in Brussels. A meeting of foreign ministers of the European Union's present and prospective members agreed Monday on political and financial aid to bring about what eventually is supposed to be a "Europe" of 22 members, instead of 12.

The Poles, rather to their own surprise, and despite high inflation (35.3 percent in 1993), are the strongest of the East European candidates, with an extremely rapid growth rate — currently 4.5 percent — and the greatest success in exporting to Western Europe. Exports overall were up 23 percent in the first nine months of this year and industrial output was up 13 percent.

The Poles' current difficulties are political, with persistently mischievous maneuvering by President Lech Wałęsa, already concerned by re-election a year from now, in November 1995. He

has meddled to inspire a faction in the military command to support him and has interfered in the allocation of television licenses to the same purpose.

Poland's constitution still is a provisional one and Mr. Wałęsa wants it replaced with a strong presidential system. He said in a recent broadcast to the nation that a "presidential regime" is the only answer to the country's problems, and he attacks the present government — an alliance of two parties that emerged from the

Communist Party — for having slowed economic reform.

A French university specialist in Polish affairs, Georges Mink, says that even though Mr. Wałęsa currently is very unpopular in the polls, he "is told by his entourage that he is a new Piłsudski" (General Józef Piłsudski was an important figure in Poland's independence struggle and virtual dictator of the country from 1926 to his death in 1935).

What is Lech Wałęsa to save Poland from? The present government seems competent; the economy is doing well. Privatizations have been slowed, but slowed reform is a phenomenon of nearly all of the ex-Communist countries.

Mr. Wałęsa's former ally and counselor Bronisław Geremek recently told him: "You pose a threat to constitutional order and democracy in Poland." The single-mindedness and courage that served Mr. Wałęsa so well in opposition, in the Solidarity movement, are proving a disservice today, in an office beyond his real competence, and he risks tarnishing the record of his achievements during the 1980s as Solidarity's leader.

The government represents another general phenomenon in the ex-Communist countries, a return to power by former Communists. There is no great surprise in this since ambitious and politically capable people joined the party in the past to have power, and the same people still want power. Few if any of them would dream today of reinstating communism.

The dissidents of the Communist period, who took power after the Soviet collapse, have been forced to yield in part because they lacked the



## MARKET DIARY

# Interest-Rate Jitters Send Stocks Lower

Compiled by Our Staff From Dispatches

**NEW YORK** — The stock market fell Friday as concern about rising interest rates replaced optimism about corporate profits.

The Dow Jones industrial average closed down 38.36 points at 3,807.52, having been pulled down more than 20 points in

**U.S. Stocks**

the last hour. Losing issues outnumbered advancing ones by a 15-to-7 ratio on the New York Stock Exchange.

The price of the benchmark 30-year Treasury bond dropped 19/32 point, to \$92 21/32, taking the yield up to 8.16 percent from 8.10 percent — the highest level since August 1991.

The catalyst for the bond drop came from the Labor Department's report that U.S. unemployment had edged down to 5.8 percent in October from 5.9 percent in September. Hourly wages posted the biggest increase in 11 years.

Bond investors saw signs in the report that inflation could accelerate and dumped their holdings. The resulting higher interest rates pulled down the stock market because higher

rates can cut into corporate profit.

"All year long, there has been this monumental tug of war between excellent earnings reports and the fear that interest rates are going higher," said Bill Spears, chairman of Spears Benzaik Salomon & Farrell.

Teléfonos de México's American depository receipts were the most actively traded Big Board issue, rising 14/16 to \$6 after a buy recommendation from Kidder Peabody.

General Motors rose 4/16 to

39/16 after reporting strong car and truck sales for October.

BioGen fell 2/16 to 38 1/16 active over-the-counter trading after a series of shareholder lawsuits alleging securities law violations concerning its decision to drop tests on a new drug.

Another drug company, Chiron, dropped 3/16 to 59 after posting lower full-year earnings than analysts expected and reporting disappointing demand for its multiple sclerosis drug, Betaseron.

Megatest fell 3/16 to 94 after the manufacturer of electrical equipment said it might report a loss for its financial first quarter.

(AP, Bloomberg)

## Dollar Slips as the Fed Stays on the Sidelines

Compiled by Our Staff From Dispatches

**NEW YORK** — The dollar moved lower Friday, as a moderate U.S. report on employment was offset by the absence of Federal Reserve Board intervention to support the dollar and weakness in U.S. Treasuries.

The dollar rose to a three-week high of 1.5266 Deutsche

**Foreign Exchange**

marks after the Labor Department said the U.S. economy had added 194,000 jobs in October.

The number was smaller than had been expected, easing concern about inflation. But the dollar gave up those gains after the Fed failed to extend its dollar rescue for a third day.

"Everyone was expecting the Fed to come in," said Vicki Schmetz Altecia, vice president for currency sales at Westdeutsche Landesbank Girozentrale in New York.

Markets remained edgy after Thursday's tense session. Despite the general sense that the

dollar was lower against most other major currencies except the pound. It fell to 1.5140 DM, from 1.5187 DM on

Thursday, to 97.45 yen, from 97.74 yen; 1,2673 Swiss francs, from 1,2680, and 5,1915 French francs, from 5,2075. The pound fell to \$1.6160 from \$1.6175.

"I think people are very wary of being short of dollars," Peter Wood, dealer at Bank of Boston in London, said.

Bundeskredit President Hans Tietmeyer's remark that he would like to see a stronger dollar also helped the currency.

But Margaret Kudackauska, a Technical Data analyst, said a decline in the price of U.S. Treasury bonds was weakening the dollar.

(Bloomberg, AFX, Reuters, Knight-Ridder)

## WORLD STOCK MARKETS

Compiled by Our Staff From Dispatches

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(Bloomberg, AFX, Reuters, Knight-Ridder)

Hong Kong

Hong Kong

Brussels

Amsterdam

Frankfurt

London

Paris

Sydney

Tokyo

Madrid

Milan

Helsinki

Johannesburg

Frankfurt

London

Paris

Montreal

Stock Exchanges

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Frankfurt

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Tokyo

Madrid

Milan

Helsinki

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Stock Exchanges





# Japan's Surplus Shrunk 0.7% in Latest 6 Months

Compiled by Our Staff From Dispatches

TOKYO — The current account surplus shrank 0.7 percent in the six months ended Sept. 30, the Finance Ministry said Friday.

The surplus in the current account — the widest measure of trade in goods and service — was \$62.92 billion. The six-month decline was the second reported this year — the surplus contracted 2.6 percent in the six months ended March 31.

The newest decline was even greater in yen terms, with the surplus falling 6.8 percent. The strong yen inflates the dollar value of exports.

The 1.2 percent growth in Japan's imports exceeded the 8 percent rise in exports.

Imports of cars surged 33 percent in the six months, while semiconductor imports were up 30 percent. Imports of clothing rose 39 percent, and those of machinery gained 14 percent.

The decline came despite a 22 percent increase in the mer-

chandise trade surplus from a year earlier, to \$72.22 billion.

But Japan's invisible trade deficit, measuring such services as tourism and shipping, widened 41 percent, to \$6 billion.

In September alone, the current-account surplus fell 11 percent from September 1993, to \$11.63 billion. In yen terms, it fell 16.7 percent.

"Imports from Asian nations such as China continued growing, while goods from Europe are increasing on the back of a stronger yen," a ministry official said. "In addition to exchange rates, corporate efforts in cutting prices also helped boost imports."

Despite the strong growth in imports, economists said, robust exports to the United States and Asia were retarding the decline in the surplus.

"The pace of decline will be slower than we originally thought," Tetsuro Sano, an economist at Nikko Research Center, said.

(Reuters, AFP, AP)

## China Airs Piracy Case

### Internal Complaint Gives West Hope

Reuters

BEIJING — Foreign companies battling theft of intellectual property in China said Friday an infringement suit by 11 Chinese writers heralded the arrival of a new ally in the war on piracy — Chinese victims themselves.

"This is going to help all copyright owners in China, whether they are foreign or Chinese," a spokesman for Walt Disney Co. said.

The official China Daily said 11 Chinese writers had banded together to sue Jinling University Publishing House, which is state-owned, and one of its editors, Yuan Ye.

The writers alleged that Mr. Yuan published nearly 100 of their writings in a 10-book collection called "Children's Series" — all without their knowledge or consent.

They are seeking an injunction against the publisher, an apology and unspecified financial compensation.

China is under a Dec. 31 deadline to resolve concerns over what U.S. Trade Representative Mickey Kantor last summer called "rampancy" violations of American intellectual property rights.

Washington has placed China on the so-called Special 301 watch list of countries that tolerate theft of copyrights, patents and trademarks and has threatened to impose \$800 million in retaliatory sanctions — the estimated extent of U.S. losses.

Western companies have said they hope the

U.S. pressure will prod China to improve intellectual property protections.

S.M. Lee, manager of the Beijing office of Lotus Development Corp., said that company was "really hoping to form alliances with aggrieved parties here in China — people who've suffered losses due to theft of their ideas by their own countrymen."

Observers credit China with working rapidly to raise its laws to world standards but say the few intellectual property courts formed in recent years have yet to inflict serious penalties on Chinese violators.

A suit by Walt Disney, the world's biggest copyright owner, against three Beijing companies is being closely watched.

A local court agreed that the companies had misappropriated Mickey Mouse and other cartoon characters and is attempting to determine the extent of Disney's losses.

"I expect that things will come to a head very quickly now, with what the Special 301 clock ticking," the Disney spokesman said.

"The laws are all on the books, but the penalties typically have had no teeth," he added. The spokesman said Disney and other large American companies could not make major investments in China until they were satisfied that piracy would not be tolerated.

"One recent police raid on a factory making pirated videodisks turned up illegal copies of our movie 'The Lion King,'" the spokesman said. "Come on. We haven't even released 'The Lion King' on videotape."

## Speculators Subdued in Shanghai

Reuters

SHANGHAI — Vendors of stock-market tip sheets vanished from brokerages in Shanghai on Friday after authorities clamped controls on securities information.

Regulations announced Thursday to reduce rumor-driven speculation on China's stock markets cover everything from radio and television to beeper services and databases. The rules determine who can disseminate information and in what form.

A senior editor at a leading Chinese stock-market newspaper said he believed the electronic media were forbidden from reporting anything but simple price data.

But the editor, like many Chinese brokers and investors, welcomed the move. He said the securities information industry was out of control.

The effect of the clampdown will be to concentrate the power of information even further in the hands of China's two main stock market newspapers — the Shanghai Securities News and the China Securities newspaper.

Both are attached to China's official Xinhua news agency.

## Investor's Asia

	Hong Kong	Singapore	Tokyo
	Hang Seng	Strata Times	Nikkei 225
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2108	2100	2000	

**NASDAQ**

**Friday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

**AMEX**

**Friday's Closing**  
Tables include the nationwide prices up to  
the closing on Wall Street and do not reflect  
late trades elsewhere. Via The Associated Press

**Sales Returns are unofficial.** Yearly highs and lows reflect the previous 52 weeks prior to the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's yield-to-date and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

- 2—annual rate of dividend plus stock dividend.
- 3—liquidating dividend.
- 4—called.
- 5—new yearly low.

- new yearly tax.
- dividend declared or paid in preceding 12 months.
- dividend in Canadian funds, subject to 15% non-residence tax.

— dividend declared after split-up or stock dividend.  
 — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.  
 — dividend declared as void this year.

c—dividend declared or paid this year, on an accumulative issue with dividends in arrears.  
1—new issue in the past 52 weeks. The high-low range begins with the start of trading.

**mm** the start of trading.  
**nd** - next day delivery.  
**P/E** - price-earnings ratio.  
**r** - dividend declared or paid in preceding 12 months, plus

<sup>1</sup>—dividend declared or paid in preceding 12 months, plus stock dividend.  
<sup>2</sup>—stock split. Dividend begins with date of split.  
<sup>3</sup>—states.

I—dividend paid in stock in exceeding 12 months, estimated cash value on ex-dividend or ex-distribution date.  
H—new yearly high.

**v — trading halted.**  
**v — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.**

~~1-2~~ - when distributed.  
~~1-3~~ - when issued.  
~~1-4~~ - with warrants.

**ww** — with warrants.  
**x** — ex-dividend or ex-rights.  
**xdis** — ex-distribution.  
**kw** — without warrants.

w — without warrants,  
x — ex-dividend and soles in full,  
yld — yield,  
z — soles in full.

## FIRST COLUMN

Rough Road  
For the New  
Pioneers

**T**HE story is widely known: The country now called the United States joined the industrialized world with the advent of railroads.

With the new transport network came a sense of unity, improved communication and wealth. And those who invested in the railroads became wealthy.

Unusually for popular versions of history, this story is largely true. Except, that is, for the part about investment. Many fortunes were made out of railroads, but those who did best had businesses that blossomed with the benefit of the iron road. Investors committing money to railroad companies themselves did moderately.

The parallels between the 19th century's iron road and today's information superhighway are impressive.

First is an obscure pioneering spirit that is propelling companies to lay down infrastructure without quite knowing why they are doing so. And if they do know, they have done a poor job of explaining themselves to financial analysts, most of whom certainly don't.

Second is a general atmosphere of lawlessness and piracy as information companies engage in naughtiness ranging from reverse-engineering microchips to just seeing what they can get away with in countries where regulation is lax.

Third is the likelihood that it will be the users rather than the suppliers of the highway that will make money. Interactive data exchange already costs little more than a phone call. Intense competition will make it impossible for builders of the highway to charge it users a toll.

The winners may well be those who work on the cutest way to use the information stream. Possibilities include interactive CD-ROM talk shows in which members of the public contribute short, self-edited packages of voice, music and image. There are many, many other options—but to succeed, all will require not just technical skill, but creativity.

M.B.

By Baie Netzer

**T**HE PAYOFF, when it comes, will be huge. Telephone, cellular, cable and media companies have announced a string of multi-billion dollar mergers and alliances in recent months. And well-positioned investors stand to benefit from these companies as they restructure and re-organize to feed households around the world with wireless telephones, interactive cable television and high-speed, on-line computer information services.

Financial analysts warn, however, that tangible, bottom-line results from this flurry of high-tech two-stepping are years away. Before profits roll in and share prices beam upward, these companies face massive investment to develop new technology, install the necessary infrastructure, and develop easy-to-use equipment that can help consumers overcome their fear of pressing the wrong button.

For some companies, merging or affiliating themselves with other concerns will also require clearing a number of regulatory hurdles, both in the United States and abroad. And many proposed deals have fallen through before regulatory approval ever became an issue.

"The number of failed marriages has been much more interesting than the number of consummated marriages," notes Brian Stansky, a media analyst at U.S. fund giant T. Rowe Price.

Indeed, while the \$11.5 billion acquisition of McCaw Cellular Communications by AT&T Corp. has led investors to speculate on other possible merger candidates, the deal—which paves the way for AT&T to offer wireless local phone services—is one of relatively that hasn't hit the skids.

In September, for example, long-distance company MCI Communications pulled out of its \$1.4 billion agreement to acquire 17 percent of wireless telecom company Nexeon Communications.

In April, a \$4.9 billion deal between SBC Communications, formerly Southwestern Bell, and Cox Cable faltered. And one of the largest acquisitions announced last year, Bell Atlantic's \$21.4 billion purchase of cable company Tele-Communications Inc., known as TCI, also collapsed, leaving debt-ridden TCI searching for a partner to help it break into the local telephone business.

"I think we will continue to see relationships develop and companies working to-

gether," said Robert Morris, a telecom analyst for the New York brokerage Goldman Sachs, speaking at a forum last May. "But we probably won't see the megamergers unless we get significantly changed valuations."

As the AT&T deal shows, expanding by acquisition in the profitable telecommunications field requires massive investment. For some companies, however, a less expensive alternative has been to form cost-sharing alliances. For example, three U.S. "baby bells"—Nynex, Bell Atlantic and US West—formed a partnership with the cellular phone concern AirTouch Communications last month. And a few days later, long-distance telephone carrier Sprint Corp. announced a plan to work with three large cable companies, including TCI, to offer local long-distance and mobile telephone services.

Observers say that such alliances come with their own particular problems. "A merger is more expensive, but you buy control so you can direct how you want things done," said Jim Golian, an analyst at Kemper Financial Services in Chicago. "Many alliances in the past haven't worked out too well because they were controlled by an operating committee and you ended up with too many cooks in the kitchen."

In Europe, a number of companies are also forming joint ventures to offer cellular phone services or to build new digital networks that allow data and voice to be carried over the same lines simultaneously.

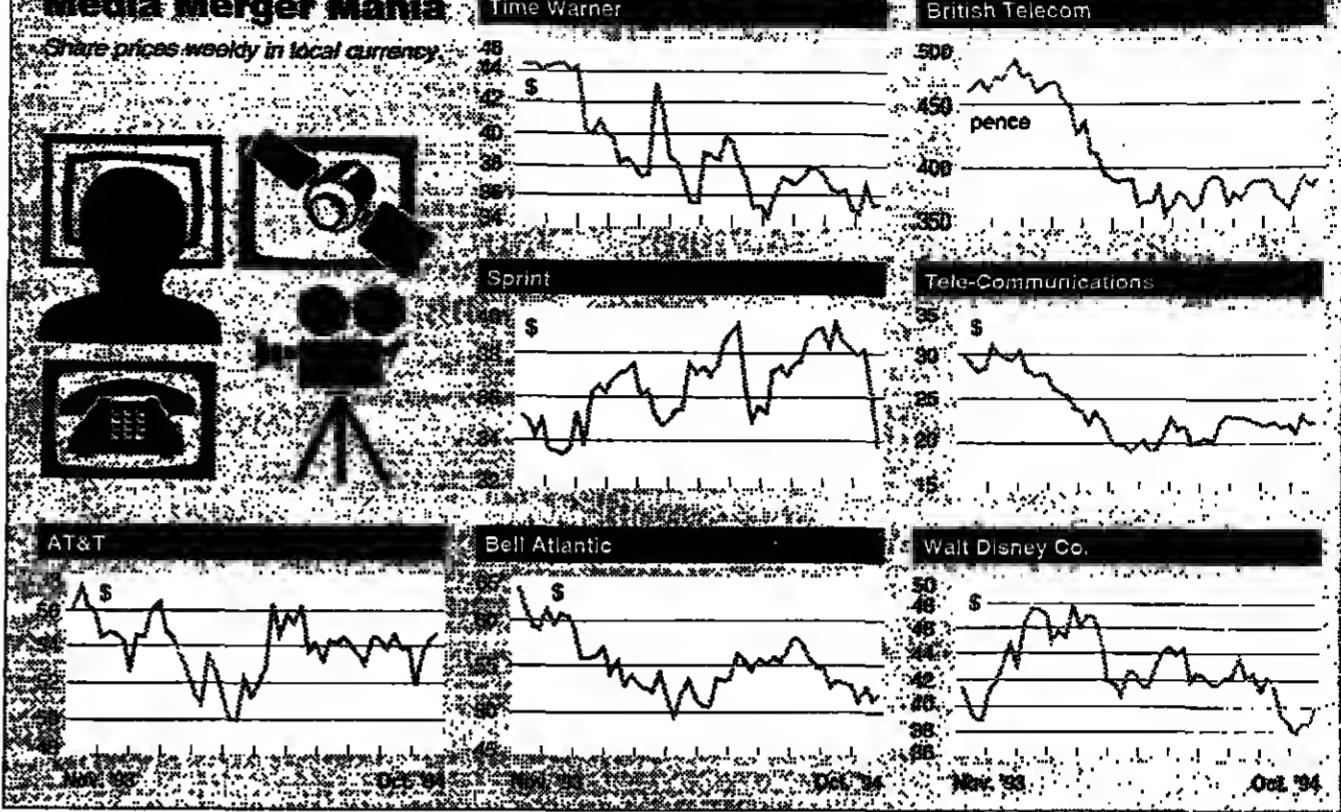
In Italy, for example, the Olivetti Group, known for manufacturing office and computer equipment, plans to work with Bell Atlantic, Pacific Telesis, Sweden's Telia AB and German machine producer Mannesmann AG to launch a mobile phone network. The French construction company Bouygues also recently won a license to operate a cellular network with Germany's Veba AG and US West.

And in preparation for its 1996 privatization, the German Bundespost Telekom has joined France Telecom in buying a 20 percent stake of Sprint Corp. for \$4.2 billion. The two public monopolies hope to use Sprint's technology to build a private digital network for multinational corporations.

But, "it's still a zero billion dollar business for many companies," until the digital networks are actually up and running, warned Cathy Dobson, a department director at DB Research in Frankfurt.

## Media Merger Matrix

Share prices weekly in local currency



Source: Bloomberg

Telecommunications  
and Media Investing

Page 17  
Telecom Funds  
New U.K. Opportunities  
Looking to Hollywood



Microsoft Corp.'s \$1.5 billion acquisition of the personal-finance software company Intuit Inc., for example, will allow PC users to do their banking from home. Analysts say the move signals Microsoft's intention to provide more on-line services.

And despite the jockeying for partnerships, experts say that the evolution of the much-touted information highway may lead to a huge number of corporate spin-offs that could outpace even the growth of mergers and joint ventures.

Experts say that alliances aimed at building vast telecommunications networks will likely form new deals with media companies in order to obtain programming. Indeed, a new wave of mergers between network operators and media companies is expected, say some analysts.

And while much speculation has revolved around a buyer for the U.S. network NBC, a unit of General Electric Co., a number of American media companies are also looking to Europe, where they have invested in European cable television companies and investigated possible acquisitions.

Analysts caution, however, that cultural differences can wreak havoc on such deals. In 1989, for instance, Sony Corp. bought Columbia Pictures and Tristar Pictures for \$3.4 billion. Last month, however, Chairman Peter Guber left Sony Pictures Entertainment Inc. amid rumors of management problems that were based, at least in part, on different cultural approaches on how to run the company.

Turner Broadcasting System Inc., another media company with international aspirations, has also run into obstacles.

"Turner has some good networks to sell abroad but when they go to China, they have problems with authorities wanting to control the flow of information," said Mr. Stansky of T. Rowe Price.

In fact, while American media companies battle it out for a stake in overseas networks and a share in the interactive television business, a much younger industry is expected to reap faster gains: computers. Because owners of personal computers may already be familiar with on-line services, observers say, they may be faster to accept interactive programming that is controlled by their keyboard and viewed on a computer screen.

## Television Sector's Future Looks Fuzzy

By Rupert Bruce

**A**S the television industry evolves into its 21st century form, the metamorphosis is likely to create some big winners and some big losers.

As media companies scramble to position themselves for a "multimedia" future, moreover, some analysts believe that the fuzzy, end-of-the-millennium picture is becoming a little clearer, which has sharpened their views on which companies will prosper and which will fade.

The multimedia concept, an-

alysts say, has been brought on by a combination of deregulation and advancements in technology. Governments have brought down barriers that once hindered the development of telecommunications and media industries, and new fiber optic cables have been developed.

In the world's stock markets, the trend has been accompanied by large helpings of hype. For example, when Bell Atlantic announced last year that it would acquire the cable company Tele-Communications Inc., or TCI, for \$21.4 billion, many media stocks took off in the speculation that followed. But

when the partners called the deal off a few months later, citing regulatory and market uncertainties, stocks corrected.

But analysts say there are still a few stocks in the sector worth buying. "I think there is still value on a selective basis, but you have to be selective and look at it globally," said Martial Chaillot, a Geneva-based senior vice president of Capital Research and Management Co., a U.S. investment concern.

The big software providers are the only group of companies that many analysts are prepared to identify as winners. What is clear, say some, is that since the number of television

channels is multiplying, films and other programs will be in greater demand. That should result in higher value for film and program libraries and for program-making facilities.

For example, Mr. Chaillot said that in the United Kingdom, "The value of 60s-type movies is increasing because of a channel called U.K. Gold that reruns these movies."

He said that Britain has become a kind of guinea pig for the multimedia approach because it is ahead of much of the world in deregulating its TV and telecommunications industries.

Huge appetites for Hollywood movies and U.S. television programs should play into the hands of many large U.S. media companies, he added.

"We are focusing our time on the suppliers," said Mr. Chaillot. "The Disney's of the world, the TCIs of the world, and the Time-Warners of the world that have not only the cable facilities but have a tremendous percentage of the facilities to generate more programming. All of these programs can be sent to digital superhighways around the world."

Mr. Chaillot thinks companies like Time Warner Inc., TCI, Walt Disney Co., Viacom Inc., and News Corporation Ltd. will prosper. "These are the companies that can be extremely exciting in the long term," he said.

But at the same time, add other analysts, general broadcasting concerns may suffer as the growing number of television companies compete for a limited audience.

INTECO, an international information technology research company based in Texas, has examined multimedia demand from the public in the United States and Europe. Its research suggests that the number of viewers is not likely to grow as the number of television companies does. So, a limited number of viewers and, more to the point, advertisers will likely have to be shared between a larger number of companies.

One analyst who works for a large U.S. investment house in London, who insisted on anonymity, said that cable TV companies that use their cable network to provide telephone service as well as television have the right strategy to be winners.

He said this strategy is being adopted in Britain, where deregulation has allowed cable TV companies access to the telecommunications business.

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## Telecom Funds Are Few, but Fertile

By Aline Sullivan

**C**OMMUNICATIONS funds, or those focusing on media and telecom stocks, are surprisingly few in number. Indeed, many professional investors consider the sector too unstable to be the prime investment target of any fund.

The handful of existing funds, moreover, were buffeted earlier this year when investors turned cool on emerging markets, where the most dynamic growth in telecommunications systems is taking place. But by and large, communications funds have produced impressive returns in the recent past.

"According to Lipper Analytical Services, the New York-based fund tracker, telecommunications funds have returned an average of 11.53 percent over the past year and 118.10 percent over the past five years."

Perhaps best known is the GT Global Telecommunications Fund, which has about \$2.8 billion under management. It invests in telephone companies and related industries, such as wireless communications, computer networks and news and entertainment services. The fund has generated a 3.67 percent return so far this year despite a 6.29 percent drop in the first six months. And its performance since its inception in January 1992 is truly impressive: a 60.5 percent return.

Michael Mahoney, a portfolio manager responsible for worldwide asset allocation at GT Global Financial Services in San Francisco, argues that

the fund will continue to benefit from what he sees as the primary themes in the telecom sector: deregulation, privatization and changes in technology and infrastructure.

The infrastructure theme is particularly significant in developing economies. Fund managers are fond of pointing out that China, India and Indonesia have fewer than two telephone lines for every 100 people, compared with 50 in the United States and almost 70 in Sweden. For this reason, global telecommunications funds are often promoted as plays on the emerging markets.

"Infrastructure development in the emerging economies is continuing to be a powerful catalyst for the growth in service revenues and equipment sales," said Mr. Mahoney in a recent note to investors.

"While most of the telecommunications equipment suppliers are first-world companies, a steadily increasing proportion of their revenues is coming from sales to the emerging economies."

National telecommunications concerns in France and Germany are slated for privatization, as are several in Latin America.

Among the newest funds is the Templeton Global Infrastructure and Telecommunications Fund, launched in April. But the fund differs from other telecommunications funds in that it invests just 22 percent of its assets in telecom and media stocks, with the rest in other infrastructure-related equities.

"Telecoms should be long-term investments," said Harry Ehrlich, the fund's Florida-

### Telecom Funds

	1-year percentage return in U.S. dollars over one year to Oct. 31, 1994	Total net assets in millions of dollars
Seligman Communication A	45.61%	\$198.8 M
Seligman Communication D	43.92%	60.3
Fidelity Sel. Corp. Forum	11.86	209.1
GT Global Telecomm. A	7.62	1,578.1
GT Global Telecomm. B	6.50	1,126.9
Fidelity Sel. Telecomm.	2.68	373.7
Montgomery Sel. Commun.	1.94	250.0
Smith Barney Telecomm. A	4.21	91.3
Smith Barney Telecomm. B	4.38	199.3

Source: Lipper Analytical Services

International Herald Tribune

ogics in the emerging markets is so rapid that we believe the fund will do well for the foreseeable future," said Mr. Castro, citing the rapid growth of cellular sales in emerging markets as an example of growth. "People are not waiting for fixed-line telephones when they can have infrastructure."

Mr. Castro added that funds focusing on the global telecommunications industry should also benefit from the growth of the cellular phone sector and from the privatization of state-run telecom companies. "The supply of these new issues is improving rapidly," he said. "This will force valuations to come down and make the fundamentals of these companies more attractive to investors."

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*The Money Report  
is edited by  
Martin Baker*

## A New Twist on Investing in the Movies

By Kavita Daswani

and Peter Hoffman, previously president and chief executive officer of Carolco Pictures.

Niles Holmblom, chairman of SilverVisions Management Ltd., the fund's management company, said that investors have been intrigued by the idea of being involved in the Hollywood movie business.

"One of the latest plays on the block is a \$75 million private fund placement from Phoenix Pictures Investors Ltd. The offering has attracted significant interest from strategic, institutional and private high-net-worth investors in Asia, Europe and the Middle East. Insiders say that about 15 investors will have become significant shareholders by the end of the month."

The capital will go towards films being produced by a new production company, Phoenix Pictures Inc., being set up by Mike Medavoy, former production head at Orion Pictures and chairman at Columbia TriStar, the capital's largest film studio.

Acknowledging that the vehicle is an unusual way to raise funds for the movie business, Kathleen Stone Sorley, president of SilverVisions, said that capital was being raised from worldwide sources to reflect the global nature of the business.

### BRIEFCASE

#### Legal & General To Launch New Fund

Legal & General Investment Management, the fund arm of the large U.K. insurance company, is launching a closed-ended mutual fund. The investment objective is to achieve long-term capital growth through investing in the shares of U.K. companies with "price recovery potential."

Minimum investment is £1,000 (\$1,600), with an annual charge of 0.75 percent. The managers promise an initial gross dividend yield "of at least two percent per annum."

For more information, write Legal & General Investment Management, Temple Court, 11 Queen Victoria Street, London EC4N 4TP; or call (44.71) 528.6200, or fax (44.71) 528.6226.

In next week's Money Report:  
The global market in collectibles.

#### TSB Offers New Rate On Deposit Accounts

Investors looking for a favorable offshore sterling-denominated account have a new product to examine. TSB Bank Channel Islands Limited is offering an annual rate of 8.1 percent, free of withholding tax, for deposits of at least £15,000 over a term of three years. The offer closes at the end of the month. A two-year term deposit paying 7.85 percent is also available.

For more information, write TSB Bank Channel Islands Limited Offshore Center, P.O. Box 597, St. Helier, Jersey JE4 8XW, Channel Islands; or call Jersey (44.524) 503.909, or fax (44.524) 503.211.

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"An executive committee of six members, three from management and three nominated by shareholders, will approve each film in which the fund invests," she said. "A decision to proceed with a particular project will have to be unanimous."

The risk element is ostensibly reduced because of the track-record and reputation of the film makers behind the venture, note some analysts. Mr. Medina and Mr. Hoffman have been responsible for some of the biggest box-office successes in the history of the industry.

"In theory that should reduce the risk because there is presumably good quality expertise behind investment decisions," said Gordon Power, managing director of the department of venture capital at Guinness Mahon, a London-based equity management firm.

"This is certainly novel. There's nothing like it — at least not in the United Kingdom."

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### MONEY MANAGER VERIFIED RATINGS

#### HEDGE FUNDS (\$1,000,000+)

Jan 1-July 1, 1994

1. AUTOMATED TRADING STRATEGIST (TULKOFF/BERNSTEIN)

2. WHARTON MANAGEMENT GROUP, INC.

3. JORDAN HILL L.P. (JAMES J. LEONARD)

4. MCCULLY FUND

5. REDWOOD ASSET MGMT. (BRAYMER)

6. BOSTON PROVINCIAL PARTNERS, L.P.

7. THE RIVER PARTNERS, L.P.

8. BROKELAND FUND, L.P. (WILLIAM HUGER)

9. ERNST BANK EQUITY FUND, L.P.

10. COYNE CAPITAL MANAGEMENT (DON COYNE)

11. COYNE CAPITAL MANAGEMENT (ARGO EXPLORER)

12. VICTOR RESERVE

13. LAMAROID PARTNERS (JON GLASER)

14. ARGO EXPLORER, L.P.

15. FULLY HEDGED PARTNERS (VANNUK/BRENNER)

16. ALPINE CAPITAL MANAGEMENT

17. MARSH CAPITAL PARTNERS - BPH (F. MARTIN KOENIG)

18. MARSH CAPITAL PARTNERS (INTERNATIONAL)

19. ARKA SECURITIES INC. (DANIEL BARBA)

20. LARRY D. SCHREIBER

21. TWENTY ONE (BLAKE)

22. SIGNALANT CORP. (GERALD APPEL)

23. BOB KARZENIAN (PRUDENTIAL SECURITIES)

24. CONVERGENCE (MERRIT/MURRAY)

25. INVESTMENT FINANCIAL (MERRIT/MURRAY)

26. EARTH MARINE, CFP

27. WELLIS BREWER MANAGEMENT (JAMES WELLS)

28. WEST HIGHLAND ASSET MGMT. (PAUL M. FRANK)

29. SCH CAPITAL MANAGEMENT (VINCENT SCHARTZ)

30. NEIMAN CAPITAL MANAGEMENT



# SPORTS

## UEFA Cup Draws Fine Third Round

Compiled by Our Staff From Dispatches

**GENEVA** — The UEFA Cup soccer tournament was guaranteed a thrilling third round Friday when the German league leader Borussia Dortmund drew Deportivo La Coruna and Atletico Bilbao was matched against mighty Parma.

Dortmund, trounced by Juventus in the final two seasons ago, has the undeniably advantage of playing the second-leg match against La Coruna at the Westfalenstadion.

But the Spaniards, regularly in the hunt for the domestic championship, and now tied in points with first-place Real Zaragoza, can count on the formidable attacking skills of Brazilian goal scorer Bebeto.

Atletico Bilbao, which ousted the English Premier League leader Newcastle United on the away goals rule, was rewarded in Friday's draw with another League leader in Parma.

All four Italian clubs are still in the competition. It is quite possible that all will reach the quarterfinals, albeit with varying degrees of difficulty.

Lazio drew Trabzonspor, the Turkish team that surprised England's Aston Villa, and Juventus got Austria's Admira Wacker. Napoli drew Eintracht Frankfurt.

FC Sion, having ousted Olympique Marseille, will return to France to face league leader Nantes.

Real Madrid will be more than satisfied with its draw, against the part-time team Odense BK of Denmark, with the return match to be played in the Spanish capital.

The first leg matches will be

played on Nov. 22, and the second legs on Dec. 6.

• Britain's Serious Fraud Office said Friday it would not investigate the financial affairs of a company used by England's coach, Terry Venables, to take over Tottenham Hotspur in 1991.

The SFO had said Saturday it was examining Venables' affairs, following a Department of Trade and Industry enquiry into Edemnote, a company that has since collapsed.

But in a statement Friday, the SFO said that it had "decided that the link is not such as to make it appropriate for the matters identified to be investigated by the Serious Fraud Office."

French officials said Friday they would resist pressure from UEFA to cut their league from 20 to 18 teams within the next three years.

France now has four spots in the UEFA Cup. Three qualify on league position and one will be winner of a new League Cup.

But UEFA, eager to cut fixture congestion for its leading clubs, has said that countries with leagues larger than 18 teams will have their UEFA Cup allocations cut starting with the 1997-98 season.

Those countries are France, England and Spain.

France and England will no longer be able to include their League Cup winners in three years and would lose that place. Spain, which has no League Cup, would have its quota cut by one.

(AP, Reuters)

## Agassi Tops Sampras, Becker Out

The Associated Press

**PARIS** — Andre Agassi beat Pete Sampras 7-6 (8-6), 7-5, on Friday to lead a string of upsets in the quarterfinals of the \$2.25 million Paris Open.

Boris Becker, a three-time champion here, and Goran Ivanisevic, the defender, also lost. Marc Rosset of Switzerland beat Becker in a hard-serving contest, 7-6 (7-3), 7-6 (9-7), and Michael Chang upset Ivanisevic, 3-6, 6-4, 7-6 (7-4).

Rosset and Chang will meet in one semifinal on Saturday. Sergi Bruguera will take on Agassi in the other.

Sampras, the world's top-ranked player, had 19 aces and was a break up in both sets but could not handle some blistering service returns by Agassi.

The fourth-seeded Bruguera, a two-time French Open champion from Spain, joined Chang in the semifinals by beating Petr Korda, 6-3, 7-6 (7-4).

The Becker-Rosset match had both men with serves at more than 125 miles an hour.

A double fault in the first tiebreaker by the sixth-seeded Becker gave Rosset the advantage at 3-2, which he increased to 5-2 and went on to win.

The second set tiebreaker went back-and-forth. At one time, Rosset scored three straight aces on his serve. Becker had two set points, at 6-5 and 7-6, but did not convert either.

"It came down to me having two set points and one on my serve, and I missed an ace just by half an inch," Becker said.



Lucky Images/Roussos

## Ambitious Slate Of Negotiations Set for Baseball

By Murray Chass

New York Times Service

**NEW YORK** — Negotiators for major league baseball's striking players and owners have agreed to the most ambitious schedule of bargaining sessions since they began working toward resolving their labor differences.

In a joint scheduling session in Washington with the mediator Bill Usery Jr., representatives of the two sides agreed Thursday to meet in the Capital next Thursday and Friday, then Saturday and Sunday, too, if the first two sessions produce reason for immediate further meetings — or if they don't create reason to avoid meeting.

"We're trying to get people to talk reasonably, talk about the problems baseball has," Usery said.

He will hold discussions separately with each side next week prior to the joint sessions to establish an agenda for the meetings.

"Bill Usery has, I think, persuaded all the parties to take a fresh look and keep an open mind," said the owners' chief negotiator, Richard Ravitch. "I think both parties are entering this new negotiating medium in that spirit."

The only time since contract talks began last March that negotiators have met on four successive days was in the first week of August, but at none of those sessions was the core issue

— the owners' demand for a salary cap — a topic of discussion.

Usery began the day Thursday meeting with the owners' negotiating team. He had met for two days last week with union officials, then saw them again Tuesday. After Usery's session with the management group, Donald Fehr, Gene Orza and Lauren Rich of the union joined them to discuss the resumption of joint talks.

Meeting with him Thursday were Ravitch; two lawyers, Chuck O'Connor and Rob Manfred; and five club owners and executives — Jerry McMorris of Colorado, John Harrington of Boston, Stan Kasten of Atlanta, Dave Montgomery of Philadelphia and Wendy Seig-Priebe of Milwaukee.

Selig said the same group plus Stan Meyer, formerly of the St. Louis Cardinals, will represent the clubs in the joint sessions next week.

At one of the sessions, the owners are expected to present a new proposal, which would be the first since they formally put their salary-cap plan on the table June 14.

Barring a change in what negotiators have told the clubs, the owners will withdraw the \$1 billion guarantee as part of their plan to give the players 50 percent of their revenue for salaries and other costs.

The change is necessary because of the drastic change the strike has created in the owners' economy. Instead of an anticipated \$1.78 billion in revenue in 1994, the clubs will end up close to \$1.2 billion.

The owners have not removed the salary cap from the table because that is the plan they intend to implement if they declare an impasse and unilaterally change the terms and conditions that were part of the expired collective bargaining agreement.

• Negotiators for the National Hockey League and its locked-out players will meet again next week at an undisclosed time and place, Brian Burke, the league's director of hockey operations, said Thursday.

Next week's meeting between Commissioner Gary Bettman and the head of the NHL Players Association, Bob Goodenow, would follow a secret session in Washington last Monday, which was only their second meeting in three weeks. They reported no progress, but agreed to meet again.

## SCOREBOARD

### SOCER

#### Cup Winners' Cup

THURSDAY RESULTS

Scoreless draw: Zenit vs. Espanyol (Spain); Juventus vs. Parma (Italy).

Peru wins 4-0 on aggregate.

Austria Vienna, 1; Chivas 1.

Score: Austria Vienna — Arminia Norberg (17-0); Chivas — John Spencer (4th). Aggregate: 1-1; Chivas wins on away goals.

Score: Solari Llorente (4th, 4th).

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## DAVE BARRY

*Of Pride and Poetry*

**M**IAMI — Recently I got a very nice computer-generated letter from an outfit called the National Library of Poetry.

"Dear Dave," the letter begins. "Over the past year or so we have been reviewing the thousands of poems submitted to us, as well as examining the poetic accomplishments of people whose poetry has been featured in various anthologies released by other poetry publishers. After an exhaustive examination of this poetic artistry, the National Library of Poetry has decided to publish a collection of new poems written by THE BEST POETS we have encountered."

"I am pleased to tell you, Dave, that you have been selected to appear in this special edition: Best Poems of 1995. The poem which you will submit for this edition has been accepted for publication sight unseen on the basis of your previous poetic accomplishments."

Oh, I know what some of you are thinking. You're thinking, "Dave, you wienerhead, they don't really think you're a leading poet. They got your name from some mailing list, and they'll publish any drivel you send in, because what they REALLY want to do is throw a book together and sell it to plastic loser wannabe poets for some absurdly inflated price like \$50."

Well that just shows how much YOU know. Because it turns out that Best Poems of 1995 is now available at a special pre-publication discount price of just \$49.95. But listen to what you get: You get "a superb collection of over 3,000 poems on every topic" as well as "an heirloom quality publication" with "imported French marbled covers."

I called the number listed on the National Library of Poetry letterhead; a pleasant-sounding

woman answered, and I asked her which specific poetic accomplishments of mine the judges had reviewed before selecting me as one of the Best Poets.

"Um," she said, "we don't have that available right now. All that information is closed in a backup file system."

I asked the woman at the National Library of Poetry if there were any special literary criteria involved; she said the only one was that the poem had to be, quote, "20 lines or less."

I believe that if some of your former big-name poets such as Homer and Milton (neither of whom, to my knowledge, was invited to be in Best Poems of 1995) had observed the National Library of Poetry's 20-line limit, their careers would be in a lot better shape today.

Anyway, I wrote a poem for Best Poems of 1995. I call it, simply, "Love." Here it is:

*O love is a feeling that makes a person strive To crank out one of the Best Poems of 1995;*

*Love is what made Lossie the farm dog run back to the farmhouse to alert little Timmy's farm family whenever little Timmy fell into a dangerous farm pit;*

*Love is a feeling that will not go away, like a fungus in your armpit;*

*The bottom line is that there will always be lovers Wishing to express their love in an heirloom quality book with imported French marbled covers;*

*Which, at \$49.95 a pop multiplied by 3,000 poems*

*Works out to gross literary revenues of roughly \$150,000, so it's*

*A good bet that whoever thought up the idea of publishing this book Doesn't care whether this last line rhymes.*

Knight-Ridder Newspapers

playing all the roles. It has been three years in the planning — a fairly normal gestation period for Wilson — and runs 2 hours and 10 minutes: 15 scenes told in flashback starting seconds before Hamlet's death.

Wilson distrusts what he calls intellectualizing and is incapable of discussing a work in progress, so he dismisses "Hamlet" as "a hangup men have, always men want to do 'Hamlet'." Possibly he wishes to replace the abstract explanations he gives as a director for action; possibly like his idol Martha Graham he wishes to develop through practice a whole new vocabulary of movement. His concern with movement is such that he videotapes each stage of his works ("I think I should have more space under my arm," "the eyes can be more in back of the head") and has tried in his opera productions to sculpt the conductor's movements as well as the singers'. Conductors do not always cooperate.

Appearing onstage is agony. He speaks to no one for two hours before going on and, fearful of forgetting, does the entire show onstage before the curtain goes up. To him, meaning is multiple and each performance is a question.

"People see my work as too formal, too mechanical, they think we're robots. But I feel so many different things each night, like the death of my mother."

Later in the night, Wilson returns to his mother's death. "I think it was the only time I felt her closeness, holding her hand. She never touched me, the first time I remember my mother touching me was when I went away to university and she kissed me on the cheek. She was a very formal cool lady. I guess my theater came from that."

His father was Waco's city manager and once he brought home 12 unexpected guests, one of whom brought his mother flowers. "I guess I was about 12 or something and she took this bouquet of flowers and just cut the stems very close to the flowers and took them and put them in the vase." He replicates her precise gestures. "It was so beautiful to see this arrangement of flowers in space and

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